EAST INDIA (PROGRESS AND CONDITION).

STATEMENT

EXHIBITING THE

MORAL AND MATERIAL PROGRESS AND CONDITION

OF

INDIA

DURING THE YEAR 1926-27.

SIXTY SECOND NUMBER.

India Office,
22 March, 1928.

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Under Secretary of State for India.

(Presented pursuant to the Government of India Act.)

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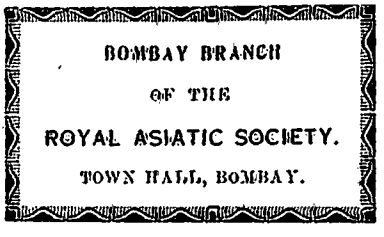

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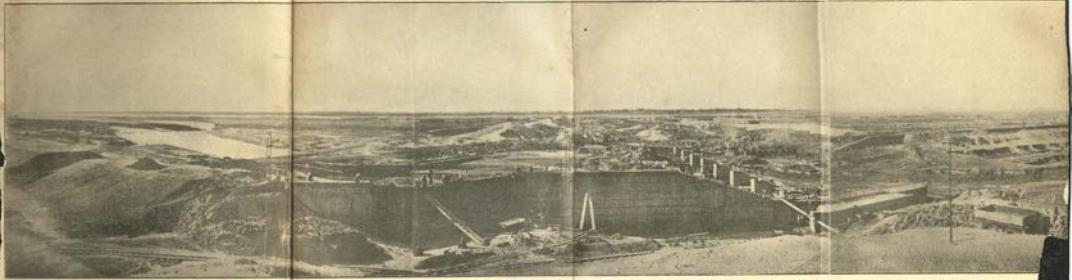

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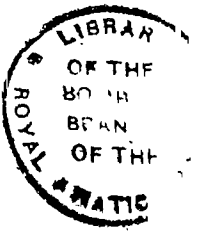

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India in 1926-27

A Statement prepared for presentation to Parliament in accordance with the requirements of the 26th Section of the Government of India Act (5 & 6 Geo. V, Chap. 61).

By J. COATMAN,

Director of Public Information

Government of India.

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PREFATORY NOTE.

The task of preparing this report for presentation to Parliament has been entrusted by the Government of India to Mr. J. Coatman, and it is now presented under the authority and with the general approval of the Secretary of State for India; but it must not be understood that the approval either of the Secretary of State or of the Government of India extends to every particular expression of opinion.

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The rupee is worth 1 shilling and six pence gold, its fluctuations being confined between the upper and lower gold points corresponding to that ratio. One lakh (100,000) of rupees is worth £7,500 and one crore (ten millions) is worth £750,000 at the present rate of exchange.

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INDIA IN 1926-27.

CHAPTER I.

The year 1926-27.

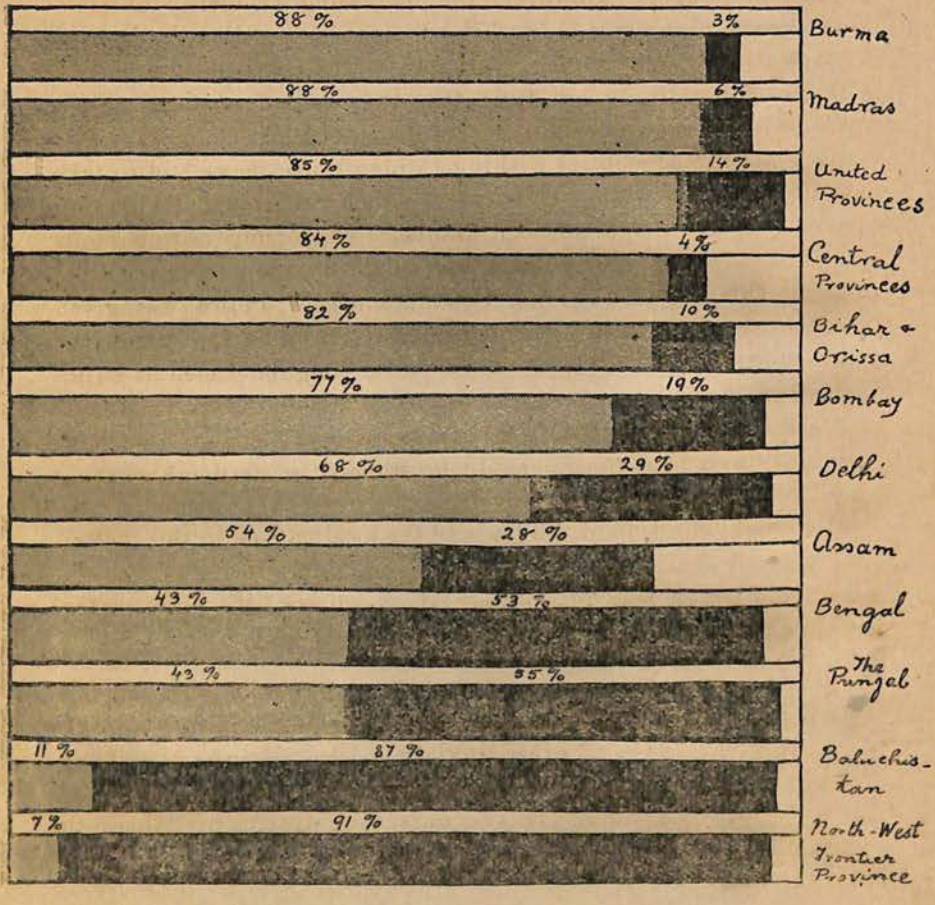
The opening of the period which is passed under review in this report, coincides exactly with the beginning of His Excellency Lord Irwin's Viceroyalty, for it was on April 1st 1926 that he landed at Bombay.

The outstanding feature of Indian affairs at the beginning of April 1926, was the old antagonism between Hindus and Muhammadans, which, during that month, broke out in Calcutta in excesses of riot and murder worse than anything recorded for many years past. There is no need to add to the account of the riots which was given last year, but, unhappily, they proved to be the prelude to a period of embittered and widespread intercommunal disorder of which the end is not yet in sight. For, since April 1926, every month has witnessed affrays more or less serious between partizans of the sister communities and only two months have passed without actual rioting in the legal sense of the word. The examination of the circumstances of these numerous riots and affrays will show that they originated either in utterly petty and trivial disputes between individuals, as, for example, between a Hindu shopkeeper and a Muhammadan customer, or else the immediate cause of trouble was the celebration of some religious festival or the playing of music by Hindu processionists in the neighbourhood of Muhammadan places of worship. One or two of the riots, indeed, were due to nothing more than strained nerves and general excitement. Of these the most striking example occurred in Delhi on June 24th when the bolting of a pony in a crowded street gave the impression that a riot had started upon which both sides immediately attacked each other with brickbats and staves.

Including the two outbursts of rioting in Calcutta during April and May 1926, 40 riots took place during the twelve months ending with April 1st 1927, resulting in the deaths of 197 persons and in injuries more or less severe to 1,598 others. These disorders were widespread but Bengal, the Punjab, and the United Provinces were the parts of India most seriously affected. Bengal suffered most from rioting, but on many occasions during the year tension between Hindus and Muhammadans was high in the Bombay Presidency, including its outlying division, Sind. Calcutta remained uneasy throughout the whole of the summer. On June 1st a petty dispute developed into a riot in which forty persons were hurt. After this, there was a lull in overt violence until July 15th on which day fell an important Hindu religious festival. During its celebration the passage of a procession with bands playing in the neighbourhood of certain mosques resulted in a conflict in which 14 persons were killed and 116 injured. The next day saw the beginning of the important Muhammadan ceremony of the Moharrum which commemorates the death of Husain, son of Ali, the fourth Caliph and Fatima, daughter of the prophet Muhammad. Rioting broke out on that day and after a lull, was renewed on the 19th, 20th, 21st and 22nd. Isolated assaults and cases of stabbing occurred on the 23rd, 24th and 25th. The total ascertained casualties during this period of rioting were 28 deaths and 226 injured. There were further riots in Calcutta on the 15th September and 16th October and on the latter day there was also rioting in the adjoining city of Howrah, during which one or two persons were killed and over 30 injured. The April and May riots had been greatly aggravated by incendiarism, but, happily, this feature was almost entirely absent from the later disorders and during the July riots, for example, the Fire Brigade was called upon to deal with only four incendiary fires.

The position of the authorities all this time was one of singular difficulty. The most fruitful source of trouble continued to be found in the old dispute over the playing of music near mosques. The Muhammadans on the one hand complain that their devotions are disturbed by the noise of Hindu processions, whilst on the other hand, Hindus contend that there are occasions when religious duty compels them to play music without interruption, from start to finish of a procession. The delicacy of the position of the authori-

DIAGRAM showing the *percentage* of Moslems and Hindus (including Sikhs, Jains and Buddhists) in the various Provinces in India.



ties in the disputes which arise out of these contending interests can therefore be seen easily enough. Seldom can they intervene without giving to the unscrupulous a chance to raise the cry of religion in danger. However, the increasing frequency of riots caused by the playing of music before mosques, impelled the Bengal Government to seek, so far as Calcutta was concerned, a *modus vivendi*. Accordingly on June 4th, they issued a statement in which they laid down certain rules to be observed in Calcutta. For many years, processionists wishing to play music have had to take out a license, one of the conditions of which prohibited the playing of music in the neighbourhood of places of worship during hours of public worship. No change was made by these orders in the form of this license, but the Commissioner of Police was given power to define precisely the hours of worship during which the processionists might not play music in the neighbourhood of buildings where worship was proceeding. The famous Nakhoda Mosque in Calcutta was excepted from the operation of the orders and it was laid down that music should be stopped in its neighbourhood at all hours. The Bengal Government's orders represented a codification and definition of the law and the local custom in this matter, and showed that the administration was determined to intervene effectively whilst recognising and safeguarding to the fullest extent possible, the rights of both parties to the dispute.

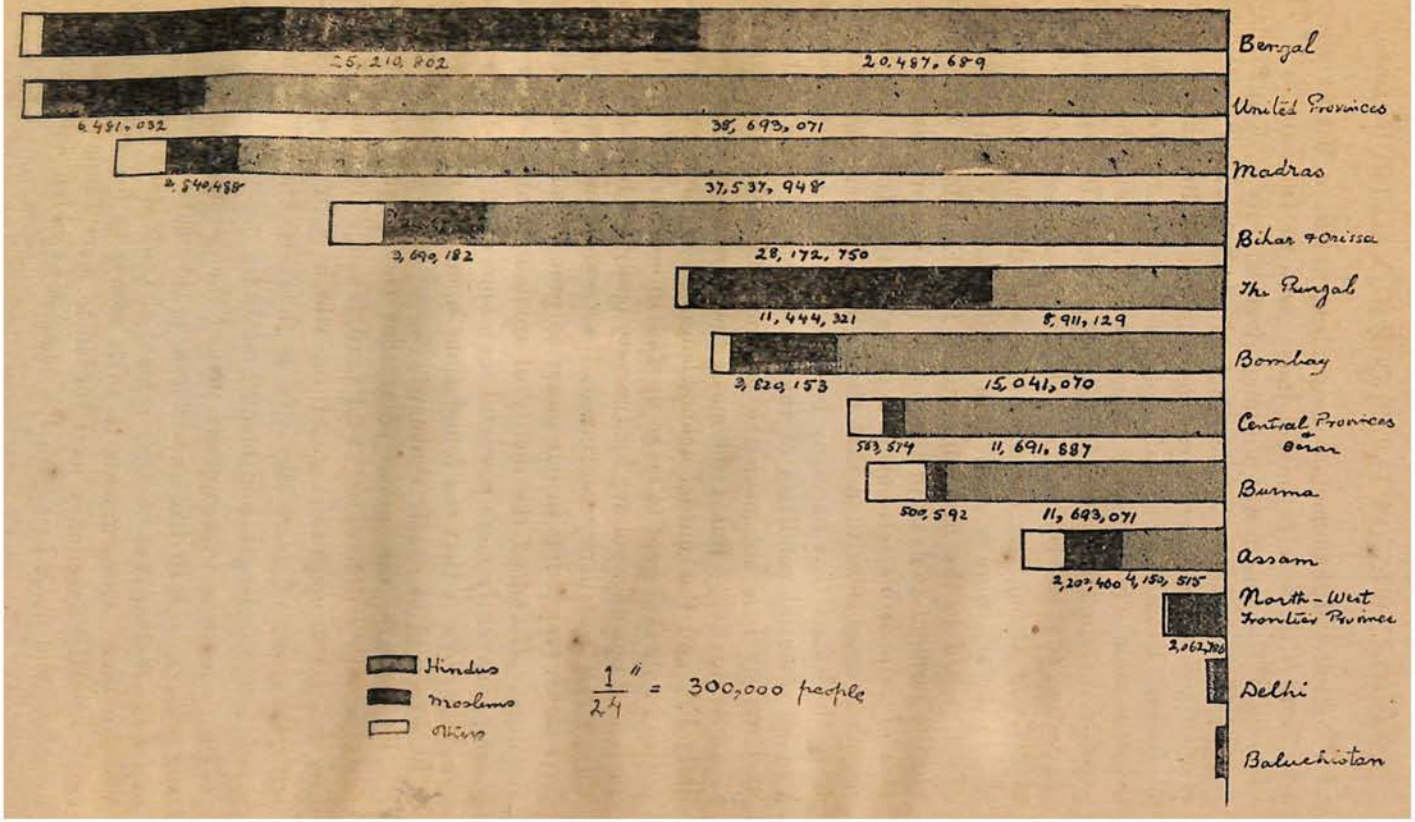
During the whole summer of 1926, the relations between the two communities in certain parts of Bengal, particularly in the east, were the cause of great anxiety to the authorities, and, unfortunately, ill-feeling showed itself in the commission of acts of sacrilege by both sides. In the important district of Pabna, the prevailing ill-feeling gave rise to prolonged rioting between the 1st and the 7th of July.

But Bengal was not the only communal storm centre during the summer months, for the great Muhammadan religious festival, the "Bakr Id", fell this year towards the end of June, and, owing to the strained relations between the two communities, created a very menacing situation in many places where Hindus and Muhammadans lived together. In important centres like Calcutta, Delhi and Allahabad, where the danger of collision was most acute, and where its consequences would have been most dis-

astrous, the authorities were forced to take quite extraordinary precautions against the anticipated disorders. Delhi, for example, was transformed into something like an armed camp for the period of the "Id" celebrations, and similar appropriate precautions were taken at other places. But for these precautions, there is very little reason to doubt, the celebrations would have been marred by wide-spread disorder and bloodshed. As it was only a few minor clashes occurred all of which were promptly suppressed. The worst of them was the affray in Delhi on June 24th, which, as we have seen, had its origin in the scare created by a bolting horse. In this riot three persons were killed and 60 were injured. But excepting the Calcutta riots, the worst riot during the year broke out in Rawalpindi, the largest military station in India, on the night between the 14th and 15th of June. The immediate cause of this riot was the old trouble of music near mosques. A Sikh procession with a band playing went past the principal mosque in Rawalpindi city on June 13th, and this produced a state of feeling which later issued in a fierce riot. On the night between the 14th and 15th a number of incendiary fires broke out in Rawalpindi city whilst the rival mobs attacked each other strenuously. Fortunately police and soldiers were quickly available and order was restored by day break on June the 15th. But during the comparatively short time of disorder sixteen persons had been killed and ninety injured, whilst many shops and houses had been more or less damaged by fire. A very dangerous sequel to this riot took place two nights later at a village about 10 miles from Rawalpindi which was attacked by a large gang of Muhammadans who killed two Hindus of the village and burned a number of houses. However, vigorous action by the authorities prevented the recurrence of further incidents of this kind.

It is not necessary to continue this catalogue of Hindu and Muhammadan disturbances during the summer of 1926, for enough has been said to show the seriousness of the situation. Nor is it necessary to say that the minds of all right thinking men in India had been deeply stirred by this rapid succession of suicidal and antisocial outbreaks. At this point those members of both communities who really desired the restoration of peace received a call to action and a powerful lead. The first considerable speech made by His Excellency Lord Irwin in India, was on this subject

DIAGRAM showing the Moslem and Hindu (including Sikhs, Jains and Buddhists) *population* in the various Provinces in India.



of Hindu and Muhammadan antagonism, which, as His Excellency said, was "so clearly the dominant issue in Indian life." The occasion of the speech was a dinner given on July 17th at Simla in honour of Lord Irwin by the Chelmsford Club whose membership is open to the members of every community both British and Indian in India. From the beginning of his speech Lord Irwin struck a personal note which deeply impressed the distinguished audience assembled from all parts of India to hear him. He repudiated the suggestion that the Government of India welcomed these evidences of division among the Indian people and also the suggestion that the outbreaks were viewed with indifference by the authorities. With regard to the first suggestion, His Excellency said, "The most superficial analysis of this policy (*i.e.*, the progressive realisation of responsible self-government in British India) can lead to no other conclusion than that the British Government recognised from the outset that harmony between the two great communities was an essential condition of the attainment of their goal. And by harmony I do not mean the surrender by either community of its individuality. But I do mean the harmonious intercourse of daily life and the mutual acknowledgment of common rights and duties in all that goes to make up Indian citizenship." "For the success of our own policy, for the very credit of British statesmanship," His Excellency continued, "we were bound to do and we have done everything in our power to promote such better understanding. If indeed the reality of communal antagonism should prove permanently more powerful than hope of an All-India patriotism it is obvious that the foundations upon which we have sought to build would be rudely shaken."

"As regards the second point that Government regards these troubles with indifference," said Lord Irwin, "it is hardly necessary for me to contradict something which is in palpable conflict with the facts of every day life as they are known by millions throughout the length and breadth of India."

He then spoke with appreciation of the devoted labours of district officers, both British and Indian, in the cause of law and order, and made it clear that the Government of India stood solidly behind the Provincial Governments in their efforts to prevent communal conflict. His Excellency next turned to more fundamental considerations and dealt first with the suggestion which has been made

in some quarters in India that one of the chief causes of communal disturbances is the existing electoral system. His Excellency's words on this subject are so important that they must be quoted in full. "I have observed" he said "that in some quarters blame has been attached to communal representation, as being a cause of irritation. Some advantage may be gained by a statement as to the reasons for its existence and the present policy of Government in regard to it. The time may come, and I greatly hope it will, when with general consent the necessity for such special representation will be no longer felt, but to-day, as you are aware, statutory arrangements are in force by which minorities are assured of representation in the Legislatures and certain local bodies. The decision with regard to the latter belongs by law to Local Governments, and falls within the sphere of transferred administration, with which the Government of India has no direct power to deal. As regards the Legislatures, these arrangements were the result of a compact to which Indian opinion at the time of the introduction of the reforms desired effect to be given. The Franchise Committee found that the evidence received by them was unanimous in favour of communal electorates and recommended that action should be taken in accordance with the commonly expressed desire. All communities were thus enabled—and indeed the action could hardly be justified on any other ground—freely to take part together in fashioning India's destiny and opportunity was ensured by which no community should at the outset be impeded in making a joint contribution to a common task. It has been suggested that Government may be induced by pressure from one side or the other to modify or extend these special privileges, and that these hopes or fears are in part responsible for the present discontents. These things will naturally fall within the purview of the Royal Commission, and it is not for me to attempt to anticipate any recommendations they may make; but I wish to state very plainly on behalf of the Government of India that, in advance of that enquiry, while there is no intention of curtailing statutory arrangements, there is equally no intention of extending them."

Lord Irwin next discussed the demand, which had received some support, that a Round Table Conference representative of all the interests concerned should be summoned for the purpose of trying to devise a satisfactory solution for the existing troubles. He

said that if he thought that there was any real chance of improvement in the communal situation as a result of the deliberations of such a conference, no fear of failure would deter him from summoning it. Past experience however gave no valid reason for hoping that improvement could be effected by these means and he referred to the conference with this object which had been held between leaders of both communities in October 1924. In His Excellency's judgment this conference had failed "because it was not preceded by any adequate change of heart and feeling." The first condition of success in any similar attempt, His Excellency said was "that the communities should bring themselves to judge of the matters in dispute between them with a far greater measure of tolerance and restriction than unhappily prevails at present." The duties of the leaders of the two communities he described as follows:—"Let the leaders and thoughtful men in each community, the Hindu among the Hindus, and Moslem among the Moslems, throw themselves with ardour into a new form of communal work and into a nobler struggle, the fight for toleration. I do not believe that the task is beyond their powers. I see before me two ancient and highly organised societies with able and esteemed public men as their recognised leaders. I cannot conceive that a really sincere and sustained appeal by them to the rank and file of their co-religionists sustained by active propaganda of the new gospel of peace would pass unheeded. In past centuries each community has made its great contribution to the annals of history and civilisation in India. The place that she has filled in the world in past ages has been largely of their creating. I refuse to believe that they can make no contribution now to rescue the good name of India from the hurt which their present discords inflict upon it." His Excellency concluded his speech with a personal appeal which deeply moved each individual member of his audience and created a profound impression on the Indian public generally even when read in the columns of newspapers, away from the inspiring personality of its author and the atmosphere of enthusiastic approbation in which it was received. Indeed, the speech received wide attention not only in India, but in England, and throughout the Empire and elsewhere. "In the name of Indian national life," Lord Irwin ended, "in the name of religion, I appeal to all in each of the two communities who hold position, who represent them in

the press, who direct the education of the young, who possess influence, who command the esteem of their co-religionists, who lead them in politics or are honoured by them as divines. Let them begin each in their own community to work untiringly towards this end; boldly to repudiate feelings of hatred and intolerance, actively to condemn and suppress acts of violence and aggression, earnestly to strive to exercise suspicions and misapprehensions and so create a new atmosphere of trust.

I appeal in the name of national life because communal tension is eating into it as a canker. It has suspended its activities. It has ranged its component parts into opposite and hostile camps.

I appeal in the name of religion because I can appeal to nothing nobler, and because religion is the language of the soul, and it is a change of soul that India needs to-day. In all religion, I suppose, there must be present in the mind of the individual a sense of personal deficiency, a consciousness of failure to apprehend more than a fraction of life's mystery, which constantly impels him, with irresistible yearning, to reach out for higher and yet higher things. Whatever indeed be the creed that men profess, such creed is the attempt men make to know the Forces that lie beyond human vision, and learn the secret of how human nature may be refined, and in so doing realise the ultimate purposes of their existence. Achievement is hard and can only come through much patience and humility, which will in turn beget a wide tolerance of the deficiencies of others. But the reward is great and there can surely be no greater tragedy than that religion which thus should be the expression and the support of man's highest instincts, should be prostituted by an alliance with actions through which those instincts are distorted and disgraced.

Such a development, if it were unchecked, could only end in the infliction of a mortal wound upon human character, upon India, and upon the cause of that religion in whose guise it was allowed to masquerade."

It is impossible to doubt that His Excellency's speech stirred the conscience of all who sincerely desired an improvement in the state of Hindu-Muhammadan relations. In his appeal to the leaders of the two communities Lord Irwin clearly indicated an immediate and practicable field of action, for one of the most surprising and

unfortunate features of the present inter-communal unrest is the comparative lack of influence for good of those who are generally considered to be the leaders of their communities.

About a month after the speech to the Chelmsford Club, the Autumn Session of the Council of State and Legislative Assembly opened in Simla. Lord Irwin's inaugural address to the two houses gave yet another proof of his and his Government's grave preoccupation with this master-problem of Indian politics. This time, however, he emphasised the duty and determination of those in whom was vested the responsibility for the administration of India, to safeguard the public peace and the lawful rights of individuals. "..... we have obligations," he said, "to law-abiding citizens. Although, indeed, these matters are the primary concern of Provincial Governments, the form in which they are now emerging has in a real sense made them of all-India interest. While it is no part of the functions of the executive Government to ascertain or determine in any judicial sense the private rights of citizens —for an elaborate system of courts has been provided for that purpose—it is the undoubted duty of the executive authorities to secure that, subject to the rights of others and the preservation of the public peace, the enjoyment of those rights is secured to the individual. That duty the Government of India in co-operation with the local Governments desire should be performed with fairness and scrupulous impartiality. In ordinary times when no particular cause of friction arises, the enjoyment of private rights connected with the observance of the numerous religious festivals in this country, has, under the protection of the British Government, been secured for many generations. In times of communal tension, untenable claims of rights and exaggerated opposition have from time to time caused great anxiety to the authorities, and the maintenance of the public peace has been a difficult task. The antagonism which some members or sections of the communities concerned have recently displayed towards the observances of others appears to some extent to be based, not so much on traditional loyalty to any creed, as on new assertions of abstract rights which it is sought to invest with the sanctity of ancient principles. This tendency has been more marked in the recent troubles than at any previous period in the British administration. It cannot be too clearly emphasised that Government have no intention whatever

of allowing any unjust or unreasonable claims, still less any violence or threat of violence, to deter them from their clear duty of maintaining the public peace and, so far as is compatible with the rights of others, the right of the individual citizen to pursue unhampered his lawful avocations."

After this, the next step was the tabling of a resolution in the Legislative Assembly by a Muhammadan member who asked the Governor General in Council to undertake immediate legislation to regulate the performance of the religious festivals, rites and ceremonies of the different communities in India. To this resolution two Hindu members moved amendments with the common object of asking the Governor General in Council to call an All-India Conference of leaders of public opinion and experienced officials to examine the present communal situation in the country and make recommendations regulating the performance of religious festivals, rites and ceremonies of the different communities. The debate on this resolution and the proposed amendments took place on the 24th August and the 1st September. In the opening speech, the mover of the resolution said in words which deeply impressed his hearers, and sounded the key-note of the debate: "We cannot enjoy our home life happily nor do our festivals bring any joy to us..... On the occasion of almost every festival more misery and sorrow is caused in every home."

The representatives of the minority communities of Indian Christians and Parsees, who spoke during the debate, showed how the relations existing between Hindus and Muhammadans reacted on the minority communities and on all India. This is an aspect of Hindu-Muhammadan antagonism which deserves to be made familiar to all who study social and political conditions in India to-day, for it is clear that the unoffending minority communities suffer almost if not quite as much as the principals themselves from the dislocation of routine and the social discontent, the boycottings and intrigues and economic loss which accompany any severe outbreak of rioting. One speaker after another referred in terms of high appreciation to the lead which had been given to India by Lord Irwin, thus showing their agreement with his view of the situation. Sir Alexander Muddiman, the Home Member, in summing up the debate showed the House that it was in the power of every member to exercise influence on the ignorant and hot-headed

masses in his neighbourhood, and he gave practical reasons for rejecting the suggestions for a Round Table Conference or a committee of enquiry. He showed that riots did not take place only on the occasions of festivals and important celebrations, but that, on the other hand, so explosive was communal feeling now-a-days, that they sprang from absurd and trivial occurrences, one or two of which he mentioned. The duty and willingness of all Government officers to help in the work of conciliation was emphasised, and Sir Alexander said that any proposals for conciliation would merit the serious attention of the Legislature. Particularly important was his reply to one member who had implied that the Government of India was inclined to let things take their course and had suggested that they should confer with the leaders of political thought. To him, Sir Alexander pointed out that he had no desire to shut the door to any means which would help to settle the communal trouble, but that conferences required an atmosphere of conciliation and a true desire for a settlement in those who conferred, and he said that leaders had met on past occasions without meeting with any success in their efforts to solve this difficult problem. He promised, however, that if the leaders of the two communities were prepared to get together again and make proposals to the Government, the latter would give them their most careful attention. In conclusion he said that the main purpose of the present debate had been discharged since a valuable discussion had taken place in an atmosphere of peace. He asked the House not to attempt to tie the Government down to any particular course of action and made it clear that the Government had no desire to shut the door against any conference if it appeared reasonable to expect any benefit to result from it. After he sat down the movers of the resolution and the amendments asked leave to withdraw them. The House agreed to their request unanimously and without a division. It is important to notice that the resolution and amendments were withdrawn by unanimous consent, for it is sometimes made a cause of reproach against the Government of India that they have never conferred with acknowledged communal leaders on this subject of Hindu-Muhammadan strife. It is quite clear from this debate that the members of the Legislative Assembly did not believe that the times were propitious for any such conference, and all reproaches levelled against the Government on this count fall to the ground.

But during this session the Government introduced and got accepted by the Assembly a piece of legislation which it is hoped and believed will prove to be of some practical value in helping to prevent the fomenting of inter-communal hatred by publications and leaflets which have played an unenviable part in instigating disorder. Every riot or hint of inter-communal trouble is followed by an outburst of inflammatory writings which stimulate and perpetuate hatred and unrest. A section of the Indian Penal Code empowers the authorities to prosecute those responsible for such writing, but, of course, even if the prosecution is successful and the writer is punished, the offending publications are still able to circulate. By section 9 (*a*) of the Code of Criminal Procedure any Provincial Government is empowered to search for and confiscate all copies of newspapers, books or documents which appear to contain seditious matter. But this section contained no provision enabling similar action to be taken against publications calculated to promote feelings of hatred or enmity between different classes of His Majesty's subjects and the legislation referred to brought all such publications within the scope of the power of forfeiture conferred in respect of seditious documents by section 99 (*a*).

At the time when this debate began, the communal situation looked more promising than it had done for some months past. With the exception of two negligible scuffles no Hindu-Muhammadan disturbances had taken place since the Moharrum riots in Calcutta during the third week of July, but on the 27th of August an obscure quarrel between a Hindu bank messenger and a Muhammadan shopkeeper led to a fierce riot in Delhi in which 50 persons were injured, one of them seriously, and thereafter, other affrays and disturbances occurred in various places. November and January were the only months which witnessed no open riot between the two communities. Every other month from September 1926 to April 1927 was to tell its tale of killed and injured rioters. It is not desirable to go into details of these later riots, for the picture already drawn is sufficiently black and there is the danger that an excessive crowding of the canvas will distort our perspective. But one of them, the riot at Kulkathi in the Barisal district of Bengal on March 2nd, calls for mention. In order, however, to observe the chronological sequence of events, a dreadful fanatical outrage at Delhi must first be noticed.

The murder of Swami Shradhanand by a Muhammadan fanatic on December 23rd shocked all India and leading Muhammadans did not lag behind the Hindus in expressing their horror and detestation of the crime. The Swami had for years been one of the most prominent leaders of the Hindu community and, for some time before his death, had taken great interest in the Shuddhi movement, that is, the movement for the re-conversion to Hinduism of Hindu converts to Islam and Christianity. He himself had converted a large number of Rajput Muhammadans in the United Provinces and so his activities had become distasteful to many Muhammadans. For a time well-disposed Hindus and Muhammadans hoped that good might come out of evil and that the shock of the murder by showing what foul deeds could be committed in the name of religion would again start the leaders of the two communities on an earnest search for roads which might lead to peace and unity between the antagonists. The immediate result of the murder, the disturbance which broke out in Delhi City as soon as the news got abroad, and caused the death of one person and injuries to several others, though deplorable in itself, was nothing like as serious as it might have been in the circumstances, and certainly seemed to show that even the roughest sections of Muhammadans realised the dastardly character of the crime. But a number of partisan newspapers of both sides did not treat the murder with the restraint which was so necessary if further exacerbation of communal feeling was to be avoided. In the end, therefore, it must be admitted that the relations between the two communities became more difficult and dangerous than ever, as the direct result of Swami Shradhanand's murder.

A few days after the murder, the Muslim League held its annual session in Delhi. The President this year was Sheikh Abdul Quadir, a Punjabi Muhammadan gentleman who had served as President of the Punjab Legislative Council, and had, for a short time, acted as one of the ministers of the Punjab Government. In his Presidential speech he deplored the murder of the Swami and emphasised the disservice done by the murderer to the cause of Islam. He also stated the need for unity between the Indian National Congress and the Muslem League, and asked each of these bodies to collect all their forces and to put them in order, and then

to come together and find some way of acting in harmony whenever possible and to agree to differ in a frank and friendly spirit when difference of opinion was inevitable. After this had been accomplished, he said, the two communities would be able to work together in the cause of the political, intellectual and economic progress of India. He dealt somewhat vaguely with the question of communal representation but obviously did not favour any immediate change in the system at present in force. Some of the speakers, however, who followed Sheikh Abdul Quadir made it perfectly clear that they did not want to abandon the existing system of communal electorates, and the general opinion of the delegates was in this sense. Thus although the proceedings of the session had been carried out in a calm atmosphere it is hardly possible to say that they made an appreciable contribution to the cause of Hindu-Muhammadan unity.

From the end of December, a lull followed which lasted for nearly two months. The shock and sense of shame caused by Swami Shradhanand's murder were one of the causes of this two months' truce but it seems doubtful whether these moral factors alone deserve all the credit. The end of the year is the favourite time in India for holding the annual sessions of the more important political and social organisations and for some time before and after Christmas week public attention was fixed on the work of the Indian National Congress and the All-India Muslim League. Also early in January, the sessions of the different Provincial Legislative Councils began to be held, whilst the Legislative Assembly opened its Delhi Session a few days after the middle of the month. Lastly, the triennial elections to the Legislative Assembly and the Provincial Councils were held in November, and, naturally, absorbed public energy and diverted the minds of the members of the two communities. Thus during three months or so from the end of October, the wider stage of Indian politics was attractive enough to divert the attention of the two communities from their own domestic quarrels and but for the affair of December 23rd, India would have enjoyed exactly four months' respite from Hindu-Muhammadan rioting. Unfortunately a number of affrays, mostly petty, but two or three of them being important, have taken place between the middle of February and the close of the year

under review. The most serious of these was the riot already mentioned which took place at Kulkathi in the Barisal district of Bengal on the 2nd March. There, a crowd of approximately 1,000 Muhammadans armed with spears and staves indicated that they were prepared to oppose by violence a Hindu procession passing the mosque with music. The armed force at the disposal of the authorities was represented by a small guard of Eastern Frontier Rifles and the District Magistrate found himself compelled to order this guard to open fire at a time when it was practically surrounded by the mob and as a result 14 rioters were killed and 7 injured. A searching enquiry ordered by the Bengal Government indicates that the small Government force itself was in imminent danger from the rioters and that it is likely that a far greater loss of life would have resulted had the mob not been dispersed. The events are under further investigation before the Courts in connection with the prosecution of those alleged to have taken part in the riot.

Once again, therefore, the country received a signal warning of the calamitous results which were liable at any moment to spring from the suicidal strife between the two great communities, and the Kulkathi tragedy cannot have failed to influence the deliberations of the group of influential Muhammadan gentlemen, most of whom were members of one or other of the two Chambers of the Central Legislature, who met in Delhi on March 20th to consider whether the existing system of separate communal electorates could be replaced by an electoral system in which Hindus and Muhammadans would jointly choose members for the Central and Provincial Legislatures. The present system of communal electorates, it may be remarked, represents a direct concession to the demand for separate electorates made by Muhammadans at the time of the Morley-Minto Reforms in 1909. The overwhelming bulk of Hindu opinion favours the joint electoral system and so is not satisfied now with the most important agreement made hitherto between the two communities—the Lucknow Pact. The latter is the name given to a scheme of reforms which was accepted by the 31st Session of the Indian National Congress held at Lucknow on December 29th and adopted by the Indian Muslim League at its meeting held on the 31st December 1916. According to this scheme, Muhammadans were to be represented through special

electorates on the Provincial Legislative Councils in the following proportions:—

Punjab . . .	One-half of the elected Indian members.
United Provinces .	30 per cent. of the elected Indian members.
Bengal . . .	40 per cent. of the elected Indian members.
Bihar . . .	25 per cent. of the elected Indian members.
Central Provinces .	15 per cent. of the elected Indian members.
Madras . . .	15 per cent. of the elected Indian members.
Bombay . . .	One-third of the elected Indian members.

As regards the All-India Legislature, it was approved that one-third of the Indian elected members should be Muhammadans elected by separate Muhammadan electorates in the several provinces, in the proportion, as nearly as possible, in which they were represented on the Provincial Legislative Councils.

The Lucknow Pact represents one of the earliest attempts to present a definite united Indian national demand for constitutional reforms in anticipation of the changes in the Government of India which were felt to be impending at the end of 1916. It will be noticed that according to the Lucknow Pact, Muhammadan representatives on both the Provincial and the All-India Legislatures were to be chosen by special electorates, and present Hindu opinion on this subject, therefore, represents a change from the provisions of the Pact, a change, moreover, which has always been steadily resisted by the bulk of Muhammadan opinion. However, on the evening of March 20th a statement was issued to the press saying that after a prolonged debate the conference had agreed to the institution of joint electorates on the following conditions:—

(1) Sind should be separated from the Bombay Presidency and made a separate province.

(2) Reforms should be introduced into the North-West Frontier Province and Baluchistan on exactly the same conditions as in any other province in India. If these conditions were accepted by the Hindu and Muhammadan communities, Muhammadans would accept the system of joint electorates in all provinces and would make to the Hindu minorities, in the provinces where Hindus were in a minority, the same concessions that the Hindus were prepared to make to Muhammadan minorities elsewhere.

In the Punjab and Bengal, representation should be on the basis of population, and in the Central Legislature Muhammadans should be represented by not less than a third of the members, these to be chosen by mixed electorates.

These conditions call for some explanation. In Bengal and the Punjab, Muhammadans are in the majority and presumably would always return to the provincial councils a majority of Muhammadan members. The North-West Frontier Province and Baluchistan are overwhelmingly, and Sind is preponderatingly, Muhammadan. The extension of the Reforms, therefore, to these three provinces would give their administrations a strongly Muhammadan complexion. Thus it will be seen that while the above conditions, no doubt, provided an opportunity for further discussion, they were not such as the Hindus were likely to accept without further consideration.

Immediately after the statement containing these conditions was communicated to the press one or two of the gentlemen who had been present at the conference immediately wrote to the newspapers denying that they had agreed to the conditions and saying that they could not accept the system of joint electorates on any terms. Mr. Jinnah himself issued a statement to the Press in which he said that the Muslem proposals must be accepted or rejected *in toto*, whilst about three weeks later the representative in the Assembly of the North-West Frontier Province, and one of the most influential members of his community in the House, gave a statement to the press in which he said that if Muhammadans desired to preserve their identity they had better not allow them-

selves to be merged politically in the Hindu majority. He concluded his statement with the following words:—

"A joint electorate under the existing circumstances will be an unequal combination disadvantageous to the weaker side." The Muhammadan press throughout India commented generally in this strain on the Delhi manifesto, and it seemed clear that whatever Hindus might think about the proposed conditions for joint electorates, there was little chance of their finding favour with the Muhammadans.

Three days after the Muhammadan conference the Hindu members of the Central Legislature met in Delhi to consider the Muhammadan proposals. At this meeting the following principles were generally accepted as the basis of further discussion:—

(1) There should be joint electorates for all the legislatures throughout India.

(2) Everywhere seats should be reserved on the basis of population.

(3) Religious and quasi-religious rites should be safeguarded by specific provisions in the constitution.

(4) The question of the re-arrangement of provinces should be left open for the present.

The examination of the above conclusions reached by the Hindu meeting makes it quite clear that no material change had taken place in the Hindu-Muhammadan situation so far as it was affected by the question of joint or separate electorates. In effect each community stood where it had been before March 20th. However, the last word on this subject had not yet been spoken from the Hindu side, for the annual meeting of the All-India Hindu Mahasabha, that is, the meeting of delegates of Hindu organisations from all over India, had been arranged to take place in the second-half of April and it was practically certain that this representative Hindu gathering would pronounce a verdict on the Muhammadan proposals of March 20th. The proceedings of the Mahasabha took the direction which had been generally anticipated by the Indian public and press. The various speakers made it clear that in their opinion of the Muhammadan proposals were not ripe for discussion and the whole body of delegates assembled in the Mahasabha

accepted a resolution to this effect and put forward certain proposals as a basis for further discussion. These in effect repeated the conclusions reached by the meeting of Hindu members of the Central Legislature on March 23rd, and so the whole incident may be said to have left the communal situation for the present exactly as it was before March 20th.

The frequency and ferocity of Hindu-Muhammadan rioting during recent years force, more insistently than ever before, this question on the attention. "What is behind these riots?" Before we attempt to answer this question let us look at the causes of the disturbances which took place during the twelve months under review. During that period forty riots have taken place. Of these about five developed out of petty quarrels between individuals, one originated in a dispute over the children of a convert from Islam to Hinduism, whilst the rest were caused by disputes about the playing of music in the neighbourhood of mosques, or else occurred during religious celebrations of one or other of the two communities. At first sight, therefore, it appears as though the trouble may be ascribed entirely to religious differences, but further consideration of the problem shows that this is not a sufficient answer. The foregoing discussion of the question of joint or separate electorates for India alone makes it quite clear that the differences between the two communities are not only religious but political also. It is often said that Hindu-Muhammadan antagonism owes its present intensity to the Reforms, which, by bringing the people of India face to face with some of the problems which they will have to solve before they can enjoy responsible self-government, has precipitated the struggle for the powers and emoluments of office, and, in fact, for the control of the machinery of government. It can hardly be denied that the Reforms of 1919, by forcing Hindus and Muhammadans to take thought of their respective positions under a fully responsible government of a democratic type, with its tremendously powerful central doctrine of government by majority, have reinforced traditional enmities. The Hindus are generally content to accept all the implications of government by Parliamentary majority, but the Muhammadans as the minority community insist on safeguards. Again, the Hindus with their greater aptness for study, their subtler minds, and their far stronger economic position advocate the policy of *laissez faire*, not

only in finance and business pursuits generally, but also in competition for admission to the public services. Here, again, Muhammadans dissent from these opinions, point to their backwardness in education and more material things, and ask the Government to guarantee them a fair proportion of places in the public services and to protect them in various ways from the full rigour of the competition of their economically more powerful neighbours.

The gulf between Hindu and Muhammadan interests is thus seen to be wide and deep, the product of the working both of ancient forces and historic circumstances. For centuries the two communities have lived side by side in India, yet in the most essential things in life they have always kept aloof from each other, not mixing their blood and so without the prospect of ultimate fusion into one common race. Periods of mutual toleration have alternated with periods of cruel repression and savage revolt, although organised massacres have been comparatively rare since the great invasions of the middle ages. British rule with its cardinal doctrines of religious toleration and equal rights for all has put an end to the oppression of any one community by any other, but present events seem to show that the danger from the old intolerance has not yet disappeared altogether. Clearly this danger must be removed before India will be safe for Home Rule. How can this be done? It is not suggested that a complete answer to this question, which is exercising the minds of all patriotic Indians and of India's rulers, can be given here, but a close examination of the circumstances of India at the present day forces one or two thoughts irresistibly on the mind. Good will is frequently protested on both sides, but somehow or other, these protestations are but rarely translated into action. As Lord Irwin in his Chelmsford Club speech, and as Sir Alexander Muddiman speaking in the Legislative Assembly in August, have said, every man of any standing in either community has the opportunity and the duty of influencing his own neighbours in the right way. It can hardly be doubted that if such men were consistently and whole-heartedly to follow this course of action, they could hardly fail to improve the communal situation. The great cities with their under-worlds would still no doubt be possible foci of disorder, but even there the turbulent elements could not but be influenced in time by the general feeling of the communities to which they belonged. The recon-

ciliation of the two communities can be begun in this way, but what is the next step to be? As physical fusion is out of the question, some means of at any rate uniting their interests and strengthening and developing their sense of common nationality must be found. Spheres of interest must be demarcated which are common to both Hindus and Muhammadans and within those spheres the two communities must work together for their own good and for the good of all India. The opportunity for such work, and the machinery wherewith to do it, are at hand in the provincial and All-India Legislatures. So, paradoxically enough, the reformed constitution of India, which, by bringing the rival communities face to face with the hard realities of modern democratic government and its institutions, has helped to widen the scope of the old communal enmity and increase its intensity, also holds out the promise of a cure for the ills of recent growth and also for those which are of immemorial antiquity. It may be that Indian politics have to pass through a definitely communal stage—a statement which will be examined in some detail in the next chapter—but even this stage need not be a harmful or, even, a very dangerous one for India. For the existence of solidly organised, well-led, and well-manned communal parties in the different electorates would tend irresistibly to concentrate public interest in their doings and transfer the control over the action of the masses of both communities which is now exercised by innumerable self-styled leaders all over the country to the real leaders of the communities in the Legislatures, thus greatly weakening the spirit in which riots are bred and lessening the opportunities for outbreaks. In short the battle-grounds between the two communities would be shifted from the towns and vollages to the Legislatures where their disputes could be carried on peacefully and with prospect of permanent advantage to both sides. For agreements made between such truly representative and authorised parties would have a validity which the various pacts and resolutions agreed to in the past could not possibly have. Only such parties as these will be able to solve the many formidable difficulties presented by such problems as that of communal electorates and other political and economical differences outsanding between the two communities. But all this depends on the uncompromising condition that the best men of both communities in the legislatures work for these great objects whole-

heartedly and with the vision before them of the good of all India. Then only will reasonable progress be made in the solution of purely inter-communal interests, when, too, it will be found that once the fields of common interests have been entered and worked, communal interests will tend to be seen at their true importance, and communal parties would in consequence gradually give way to real political parties divided from each other by genuine political and economic differences.

The Hindu Muhammadan disturbances stand out in still sharper relife when viewed against the background of the general events of the year in India for on the whole the twelve months from April 1st, 1926 were a time of greater peace than India has known for some years. From 1919 until the beginning of the year under review, the country has not been free from some form of unrest, more or less serious, in which the Indian Government has found itself involved. In the spring of 1919 the Punjab disturbances broke out and became the chief cause of the Non-co-operation movement which grew to great strength in 1920 and remained a menace to the peace of the country for the next two years. In August 1921 occurred the Moplah rising and in February 1921, the Akali Sikh Agitation in the Punjab began to be a definite danger not only to the peace of that province, but to the whole of India. It was not until 1925, as related in the last number of this report, that the agitation was settled in a manner satisfactory both to the vast majority of the Sikhs and to the Governments of the Punjab and India. In June 1926 a small band of Sikh irreconcilables tried to seize the Golden Temple in Amritsar, which is the Westminster Abbey of the Sikh religion, but this attempt was frustrated without difficulty or violence by the local police who acted in this matter with the entire support of the overwhelming majority of the Sikhs themselves. Apart from this one incident no trouble of political or quasi-political kind occurred during the year.

Also in matters other than political the year has been one of unusual peace. Since 1920 regular statistics of industrial disputes have been kept, and although 128 strikes were reported during 1926, this is the smallest number recorded during any year of which we have accurate record. Again although the total number of working days lost on account of strikes and lock-outs

was about 1·1 millions, this figure compares very well indeed with the average number of days lost during the preceding five years which was 7·4 millions. Practically all the strikes occurred in the Bombay and Bengal Presidencies each of which reported 57. As might be expected from this distribution, the industries chiefly affected were cotton and jute. There were 57 strikes in cotton mills and 33 in jute mills, and an examination of the statistics of these strikes shows that the latter industry was the more severely affected in spite of its fewer disputes. For in the strikes in the cotton mills 22,713 men were involved who lost 79,027 days' work, whilst in the jute mill strikes 129,951 men were involved and 7,69,022 days were lost. In both these industries the majority of strikes were caused by wages disputes, although in the Bombay cotton mills, strikes arising out of " personnel " disputes ran them very close. In the jute industry disagreements over leave and hours were responsible for nearly one-third of the total number of strikes. In less than one-fifth of all the strikes which occurred during 1926 were the workmen successful in gaining any concessions. The comparatively peaceful state of industry which was so marked a feature of 1926 has continued into 1927, for about 25 strikes, most of them very petty, were reported between January, 1st and April, 1st.

A striking and very satisfactory feature of all these disputes was their almost entire freedom from acts of violence and sabotage. The most serious outbreak of disorder occurred in connection with a strike on the Bengal-Nagpur Railway. Grievances formulated by the Bengal-Nagpur Railway Labour Union were at the time under discussion with the Agent of the Bengal-Nagpur Railway, but the immediate matter which precipitated the strike was a mistaken idea that an official of the Kharagpur Branch of the Union had been victimised by the Railway authorities. After a Union meeting on the night of 11th February a band of employees made a sudden attack on Kharagpur Station and stopped all traffic. The local armed police were called out at once but as it was clear that the Police could not deal with the situation alone the District Magistrate called out the local detachment of the Auxiliary Force. There was a great deal of stone throwing. The mob were very turbulent and had to be forcibly removed from the station premises. On one occasion the police were compelled to fire two rounds of buck shot wounding one rioter. The

total casualties reported in hospital were 16 injured of whom four only were detained for treatment.

The year under review was not a particularly good one for commerce and industry in India, but neither was it particularly bad. The export trade flagged somewhat throughout the year mainly on account of falling prices of certain of the raw products which make up by far the greater part of Indian exports, but the import trade, although it did not reach normal figures during the year nevertheless showed slight improvement over the previous year. The cotton industry, particularly in Bombay, has passed through hard times during the last twelve months. Further reference to the Cotton Industry will be found in Chapter IV where an account will be given of the formation of a special Tariff Board to enquire into its circumstances.

But although India during the year was unusually free from calamities due to human agency, always excepting the Hindu Muhammadan riots, she experienced perhaps more than her share of calamities due to natural causes. Certain of her coastwise towns and districts, particularly on the east, are exposed to typhoons, whilst practically the whole of her lowland surface is liable to damage from floods. The great Indian rivers, after they reach the plains, do not flow in permanent beds but through shifting sands and often change their courses to a greater or lesser extent. some times from year to year. The winter flow of all the great Himalaiyan rivers is only a small fraction of their flow in the summer after the melting of the snows on the high hills. The great monsoon rains, too, fall during the summer and in the rainy season the great rivers swollen by the heavy rainfall over the vast catchment area are peculiarly dangerous. The least change in their course or the failure of some protective work may cause the devastation of wide areas and bring immense economic loss to the country-side affected. The calamitous floods of September 1922 in Northern Bengal are a good example of the destructive powers of Indian rivers, even to-day, when, for over half a century, they have been bridled and bitted by canal and railway headworks and training works, and broken into the service of humanity. About 2,000 square miles of country and a million people were affected. Over an area of 700 thickly populated square miles more than half the houses collapsed and about 60 people were drowned. All the fodder was ruined, thousands of cattle, which

are the main form of wealth and the principal means of livelihood of the Indian peasant, perished, and the staple crop, the rice crop, was utterly destroyed over about 500 square miles. Fortunately no disaster of this sort has to be recorded here, but during the year every province in India suffered to a greater or lesser extent from floods. Bengal was one of the worst sufferers, and in Bengal, the Midnapore district in the south was the scene of the greatest havoc. About 500 square miles of the district was flooded, in some places to a depth of 7 feet. Roughly half a million people were affected and probably not less than 2,000 houses were destroyed. A number of persons were drowned whilst large numbers of cattle perished either in the water or by starvation. The Teesta River in the north of the province, after eroding its banks, suddenly changed its course, washed away a stretch of the Bengal-Dooars Railway and jeopardised the food supplies of a population of almost quarter of a million people. In the Central Provinces bridges and stretches of permanent way on the Great Indian Peninsula and on the Bengal-Nagpur Railways were destroyed. The Punjab, the Bombay Presidency, Sind, Bihar and Orissa, and the Madras Presidency, all suffered from the aberrations of their rivers, immense numbers of houses and other standing property being destroyed, fortunately with very little loss of life.

The railways remained free from any very serious accident until the last days of the year when in the night of 13th March 1927 the Calcutta Madras Mail was received on the wrong line at Bhadrak Station on the Bengal-Nagpur Railway and collided with a shunting engine and a train of wagons. Fifteen persons were killed and 69 injured, 26 seriously.

Although the monsoon generally was a good one it was not, of course, uniformly beneficial all over the country. When the widely varying natural and climatic conditions of this immense country are considered it will easily be understood that particular areas here and there may receive either less or more than their necessary share of the life-giving monsoon rains, and that their people may consequently suffer severely from the partial or entire failure of their crops while their more fortunate brethren elsewhere are rejoicing in bumper harvests. During the last few decades, the wide extension of irrigation of all kinds and the rapid growth of communications, particularly of railways, have lessened the menace and greatly mitigated the effects of monsoon

vagaries in India, and the word famine has not now the dread significance which it had in days gone by. As long as there is settled Government in India she is never likely to have to mourn again the deaths of thousands, or hundreds of thousands, of her people from sheer starvation as so often happened in the great famines which history records. Nevertheless, too scanty or too abundant rainfall still causes acute distress in limited areas, and, unfortunately, the past twelve months have witnessed such distress in different parts of India. It may be as well to mention here that the words " distress " and " scarcity " are used in a particular sense by Government officials in India. Distress in their language is a milder term than scarcity and is applied to the conditions of a particular locality consequent on the failure or the undue abundance of the rainfall there. In such conditions the local officers may or may not find it necessary to take exceptional measures to relieve the distress. But if the distress is widespread, then a state of scarcity is declared which normally makes some Government action in relief of the sufferers necessary. Normally this action takes the form of generous advances of " taccavi," that is, Government loans to agriculturalists on generous terms both as regards interest and repayment. These advances are a much more desirable form of relief than the opening of relief works, for they enable the agriculturists to tide over until they can restore their own fortunes. During 1926 scarcity was declared in Merwara, and in the early part of 1927 in a part of the Yeotmal district of the Central Provinces. There has been distress during the year in Baluchistan and the North-West Frontier Province and in parts of the Central Provinces and of the Bombay and Madras Presidencies. In none of these places, however, were extraordinary measures found to be necessary, and the distress or scarcity was nowhere severe enough to be called famine.

Mention has been made of the part played by the extension of irrigation and communications in countering the shortcomings of the Indian climate, and here it is fitting to mention another development which, it is to be hoped, will prove to be of enduring benefit to that vast majority of the Indian people who gain their living from the soil. At pages 90 and 92 of last year's report some description was given of the scope of the duties of the Royal Commission on Indian Agriculture which His Majesty's Government appointed at the beginning of 1926. The commission

assembled at Simla in the middle of October and after taking some evidence there, spent the remainder of the cold weather in touring India to take further evidence and to investigate the circumstances of Indian rural life at first hand. The members of the commission left for England at the end of the cold weather but will resume their work in India in the cold weather of 1927-28. As an important preliminary to the enquiry by the Royal Commission on Agriculture, a conference of Ministers and Directors of Agriculture from the different provinces was held in Simla in June. Its proceedings were opened by His Excellency Lord Irwin in a speech of singular importance and significance in which he showed that world factors and the need for improving the lot of the Indian Agriculturalist made the present the right moment for the proposed enquiry. From the evidence already taken by the Royal Commission it is more than ever obvious that any permanent and appreciable improvement of the conditions of India's agriculture and the lot of her rural population is not going to be the work of a few years only, or of a single generation. But the necessary preliminaries of the work of amelioration have been begun and the presence of Lord Irwin and his life-long interest in agriculture and agriculturists, and his ministerial experience in England are good auguries for the success of the work.

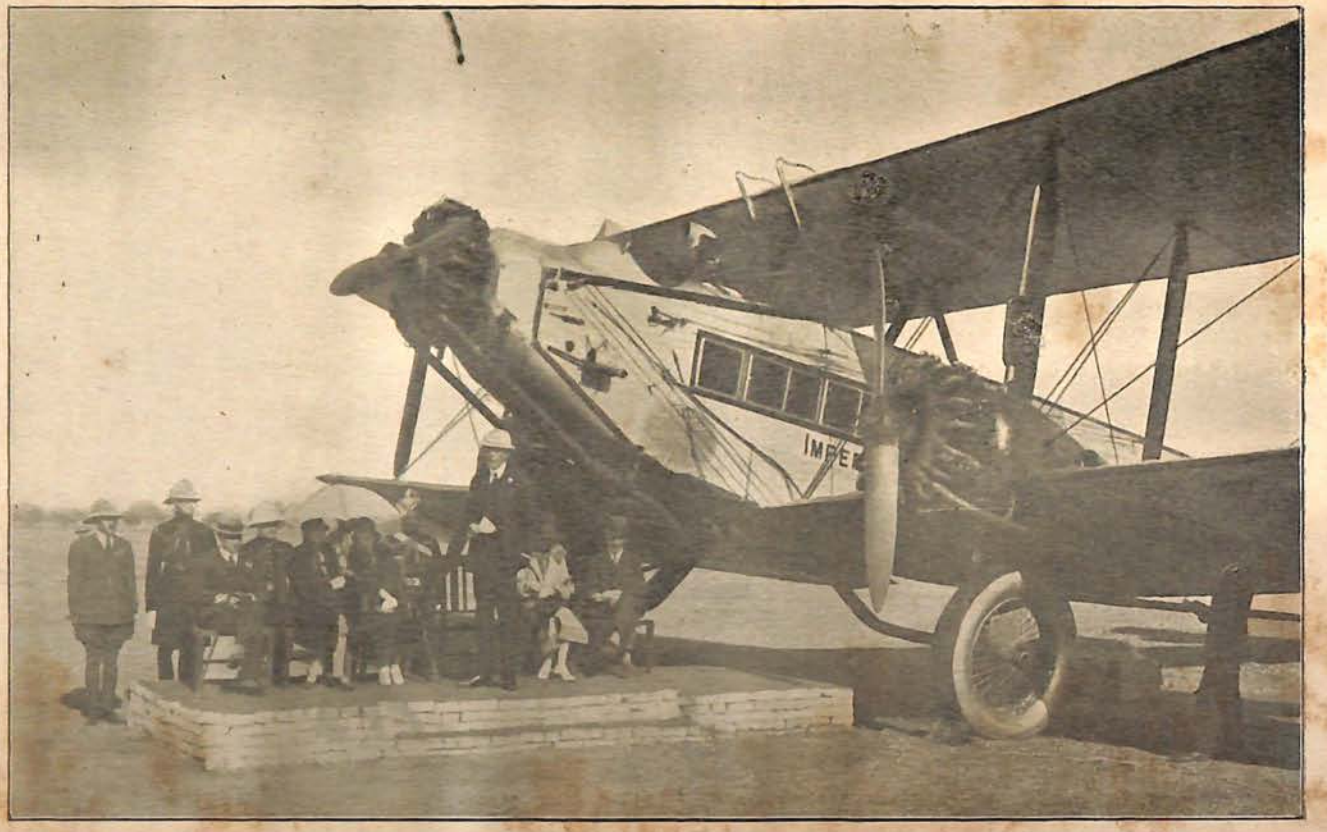
Another Royal Commission whose work, though not primarily concerned with Agriculture will nevertheless have far-reaching effects on Indian agricultural welfare and prosperity, is the Royal Commission on Indian Currency which issued its report in August. The recommendations of the Currency Commission will be discussed at length in a later chapter. Here it is only necessary to refer to those which deal with the creation of a reserve bank for India. On page 292 of last year's report it was stated that the External Capital Committee of 1924, after considering the needs of agriculture, had held that the resources of the co-operative banks were inadequate and that the various facilities afforded by government to agriculture, either directly or indirectly, required a co-ordinated examination so that they might be woven into the fabric of a general banking system. The reserve bank of India proposed by the Currency Commission, when it comes into existence, ought to make possible a great development of co-operative and credit banks which alone can meet the real needs of the rural population of India. Thus, the reserve bank must be seen as something more

than even a controlling authority in Indian currency and financial affairs. If the Indian peasant is not to continue to pay ruinous interest to the village money-lenders with all the evil results which this process entails of starved land, impoverished resources and poor and inadequate crops, the reserve bank must be made the head of a banking system which will extend credit not only to Industry and trade but to the real wealth producers of India—the workers in her greatest industry which is agriculture.

The improvement of Indian agriculture with its consequences of an improved standard of living and an increase in the spending power of the rural masses of India is the necessary correlative to the growth of Indian industry which has been one of the outstanding features of the last half century. India is now one of the eight foremost industrial countries, and with her vast natural and human resources she is bound to become an increasingly important element in the world's economic system. She will come more and more into the main stream of the world's industry and commerce, and if, on this side of her activities, she has already lost her traditional isolation, she is fast losing even her physical remoteness from the chief centres of the world's life.

In the earliest days of wireless communication, the distances which separated India from Great Britain and from her sister dominions, seemed likely to prove a barrier for some years to come to wireless intercourse between her and these other members of the British Commonwealth. Now, however, the new system of beam wireless removes the difficulties presented by mere distance and makes it quite possible for India to communicate with other parts of the world hitherto remote. The possibility of introducing the amenities of broad-casting into India was not overlooked, and for some years past, clubs composed of enthusiastic amateurs of wireless have been in existence in a few of India's greatest cities. Also, during the past year, the Indian Broad-casting Company has got to work in earnest. Its new general manager Mr. Eric Dunstan has arrived in India and there is good reason to expect that wireless broad-casting will soon become a feature of Indian life.

The arrival of Sir Samuel Hoare, Secretary of State for Air, at Karachi on 5th January 1927 was more than an achievement of aerial travel; it was also a portent. Sir Samuel and Lady Hoare travelled from London to Delhi, a distance of 6,300 miles,



HIS EXCELLENCY THE VICEROY SPEAKING AT THE CEREMONY OF NAMING THE CITY OF DELHI.

in 63 flying hours, and by this journey inaugurated the Egypt to Indian Air Service. The Hercules Aeroplane in which they travelled was one of the new air liners specially constructed for the Imperial Cairo to Karachi Airway. As Sir Samuel Hoare pointed out to press correspondents in Delhi, the journey from India to England should not take more than a week and when night flying was introduced the time could be reduced to five days. He looked forward to the time when a regular weekly air-service would be running between the two countries. Sir Samuel also pointed out that India, on account of her size and geographical position, ought to become a great centre of flying in the east, and he promised that the development of aviation in India by Indians would receive warm sympathy and hearty co-operation from England.

Two days after Sir Samuel Hoare's arrival in Delhi a pleasant little ceremony took place at the military aerodrome where Her Excellency Lady Irwin named the giant Hercules air-liner "The City of Delhi." In his speech on this occasion Sir Samuel Hoare spoke earnestly of the desirability of turning aviation to the uses of peace. His Excellency Lord Irwin, in a brief reply, said that the aeroplane had added one more to the many roads which lead to Delhi. His Excellency's statement was something more than a striking epigram. It was a truth of the highest significance, not only for India, but also for England and the whole Empire. For it is a road which brings England and India as close together as London was to Edinburgh barely a hundred years ago, and it is not too much to expect that before many years are out, the journey from London to Delhi will take no longer than the railway journey between Peshawar and Madras to-day.

But, while Sir Samuel Hoare's was incomparably the most important aerial journey to India during the year, it was not the only one. Of these other journeys, the first in order of merit is that of the two Englishmen, Stack and Leete, who travelled from London to Delhi without a hitch in their tiny Moth aeroplanes in the wake of Sir Samuel Hoare's giant Hercules under whose wings their little machines would stand with ease. The journey of these two gallant men is in the direct line of descent from the voyage of the Golden Hind and other great adventures of the spacious days of the discovery and foundation of the empire.

Messrs. Stack and Leete were not the only Englishmen to fly from England to India during the year, for in the summer of 1926 Mr. Cobham made his historic journey from London to Australia and back, in the course of which he crossed India both going and coming. His crossing of India on the return journey is remarkable for having been deliberately undertaken under the worst possible conditions, since he had to face the Indian monsoon. He did this in order to prove the practicability of regular air-services in India at all seasons of the year.

In April 1926 India was visited by air by both Spanish and Danish airmen. The Danish fliers did the journey from Copenhagen to Calcutta in 16 days, whilst the Spanish airmen reached Karachi from Madrid after 5 flying days. This was a splendid performance, but it was beaten in November by the two Frenchmen, Captain Regnut and Lieutenant Costes, who flew from Paris to Calcutta in only 5 days. Abundant proof has therefore been given during the year of the practicability of regular aerial travel between Europe and India.

Other distinguished visitors to India during the year were Earl and Countess Winterton. Lord Winterton's visit was entirely private, but he managed to see a good deal of the country and its conditions. During his six weeks' tour he visited places as far apart as Calcutta, and Razmak in Waziristan. He also took the opportunity of seeing University, Hospital, School, Jail and other buildings, farms and agricultural institutes in British India and Indian States, and he also examined housing and industrial conditions in Bombay. He was also present at the opening of the Delhi Session of the Legislative Assembly and during his stay in India he was able to meet many Indians in public life of all shades of opinion.

Two delegations of a semi-public kind which visited India during the year were the Social Hygiene Delegation, and the Delegation of the International Federation of Textile Workers Association. The former which reached India in November 1926 was headed by Mrs. C. Neville Rolfe, O.B.E., general secretary to the British Social Hygiene Council. It had come at the invitation of the Governments of Bombay, Madras, Bengal and Burma in order to collect statistical data, to confer with the authorities regarding the prevalence of venereal diseases in Indian cities, and

to discuss the steps which could be taken to reduce this scourge. It visited a number of important places including Bombay, Madras, Bangalore, Rangoon, Calcutta and Delhi, where the members conferred with the local authorities as well as with medical and public men. Members of the Delegation delivered public lectures and succeeded in arousing considerable public interest. Committees were formed to carry out the programme recommended by them. On the conclusion of the tour the delegates sent in their report outlining their suggestions for reducing the prevalence of venereal disease. These suggestions included free confidential treatment by a trained staff in hospitals, post-graduate training, and the appointment of a specialist in venereal diseases in each province. The delegation left India on the 14th March, 1927, after having met with much success in their task of rousing the Government and the public to the seriousness of the prevalence of venereal disease in India, and the necessity for tackling immediately the problem presented by it.

The Textile Delegation, under the leadership of the Right Honourable Thomas Shaw, M. P., reached Bombay by the same boat as the Social Hygiene Delegation. The Delegation came for the purpose of enquiry into the state of the textile industry in India, and in particular into the conditions of life of Indian textile workers. Mr. Shaw and his colleagues spent over two months in visiting the most important centres of the textile industry in this country.

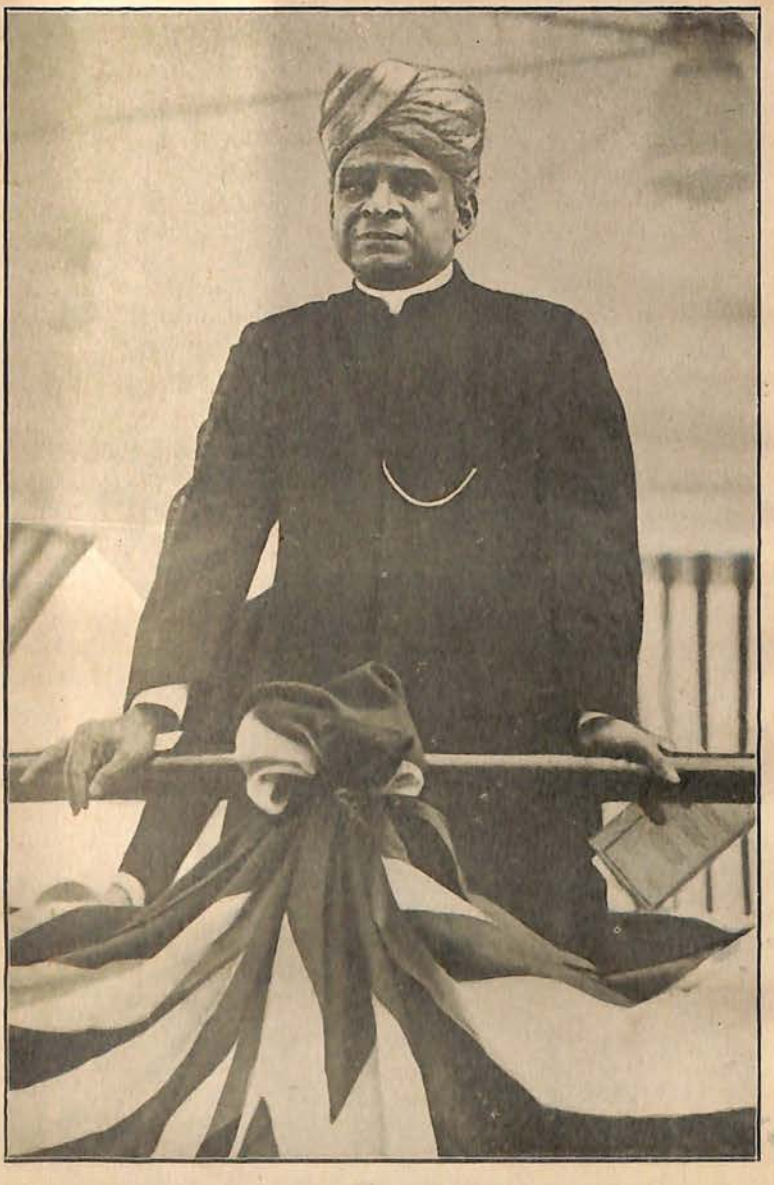
From the point of view of Imperial politics and Empire solidarity the year has been an important one for India. Apart from the meeting of the Imperial Conference, which in itself invests the year with high importance, there have been delegations to and from India and South Africa, whilst representatives of India have visited Australia and Canada. The settlement which was reached during the year in connection with the vexed question of the status of Indian nationals in South Africa falls for discussion in a later chapter, but it is tempting to believe that the agreement is one happy result of an improvement in the state of feeling between the two countries to which these friendly visits directly contributed.

In April 1926 the Paddison Deputation, which was mentioned in last year's report, was still in South Africa, where its work

resulted in the agreement, reported last year, of the Union Government to enter into conference with the Government of India for the purpose of " exploring all possible methods of settling the Asiatic Question." This conference duly opened in December, but in the meantime, a Parliamentary deputation from South Africa was invited by the Government of India to come as their guests to see India. The deputation consisted of:—the Hon'ble Mr. F. W. Beyers, the Hon'ble Mr. Patrick Duncan, Mr. W. H. Rood, Mr. A. C. Fordham, Mr. O. S. Vermotten, Mr. J. S. Marwick, Mr. G. Reyburn and Mr. J. R. Hartshorne, Secretary. Two ladies, Mrs. Duncan and Miss. Marwick, accompanied the Deputation which landed at Bombay on September 18th. During the short space of 3 weeks they contrived to see a good deal of India, from Bombay, Madras and Calcutta, to Simla, Lahore, and the Frontier. In different places the members of the deputation went behind the scenes and made themselves as fully acquainted as they could in the time at their disposal, with all sides of Indian life. Everywhere they went they were sincerely and spontaneously welcomed and the traditional courtesy and hospitality of India were seen at their very best during the deputation's visit. At the end of November a delegation under the leadership of Sir Mohammad Habibullah left India to take part in the conference at Cape Town which has already been mentioned.

Two particularly pleasant incidents to chronicle are the visit of the representatives of India on the Empire Parliamentary Delegation to Australia between September and November, and the visit of Sir T. Vijayaraghavachariar to Canada. India's representatives on the Empire Parliamentary Delegation were Sir Darcy Lindsay, Leader of the European group in the Legislative Assembly and Mr. Shanmukham Chetti, a member of the Congress Party in the Assembly. Both Sir Darcy Lindsay and Mr. Chetti took the opportunity of addressing Australian audiences during their tour.

Sir T. Vijayaraghavachariar's visit to Canada was undertaken at the invitation of the authorities of the Canadian National Exhibition to open the Exhibition at Toronto in August. His visit proved to be a quite extraordinary success. In their farewell message to him which was broad-cast throughout Canada the Government of Ontario said that the Diwan had been an ambassador of Empire in the truest sense of the term. India, which to



DIWAN BAHADUR SIR T. VIJAYARAGHAVACHARYA.

many Canadians had been a land of mystery and romance and adventure had become more real in the pictures which the Diwan had given of its resources and its people, and its place in the Empire had become better understood and appreciated by reason of the clear and eloquent manner in which the Diwan had interpreted it. During his visit Sir. T. Vijayaraghavachariar addressed 33 crowded public meetings and from all over the vast Dominion he was charged with messages of goodwill and regard for India.

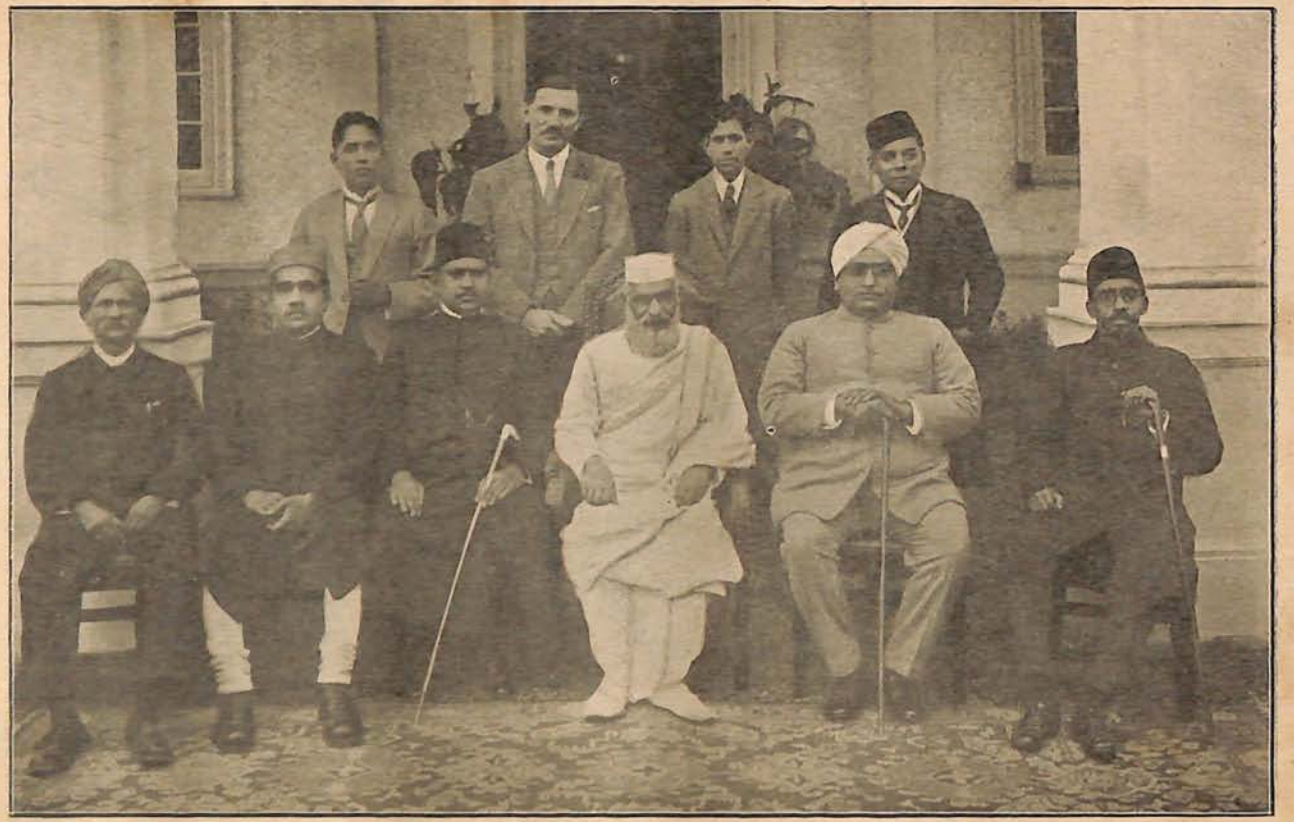
An important event of the year was the meeting of the Imperial Conference in London. The proceedings of the Conference opened on the 19th October and were continued until the 23rd November 1926. The Indian delegation consisted of Lord Birkenhead, Secretary of State for India, the Maharaja of Burdwan and Mr. (now Sir David) Chadwick, then Secretary to the Government of India, Commerce Department. A wide variety of matters of economic concern came under discussion at the Conference, such as Overseas settlement, Inter-Imperial trade including the work of the Imperial Economic Committee and the Empire Marketing Board, Communications, Research, Industrial standardization, Exhibition within the Empire of Empire films and liabilities of State enterprises to taxation. The Maharajadhiraj, as a distinguished Indian nobleman, and with the added prestige of an *ex*-Member of the Bengal Executive Council, made a valuable "Second-in-Command" to the Secretary of State and his efforts and co-operation were acknowledged by the Earl of Birkenhead, who found in him "a man of affairs and experience, with profound patriotism and with appreciation of the Commonwealth of Nations, as we have examined it in the last few weeks." Not less important was the presence on the Delegation of Sir David Chadwick who made a highly valuable contribution to the debate on Imperial Economic affairs in the course of which he referred to the various Indian irrigation schemes, to the new Docks in Calcutta, and to Railway development as holding out to Great Britain prospects of increasing and improving markets.

The most important occurrence in internal politics in India were the elections for the third Legislative Assembly and Provincial Legislative Councils which were held in November. The elections, however, require some discussion and will be more fittingly dealt with in the next chapter in which the broad develop-

ments in Indian politics during the year are described. In order, however, to complete this narrative of the year's happenings, one or two events connected with politics may be noticed here. In last year's report the suspension of the transferred subjects in Bengal was chronicled, and mention was made of the action of the Legislative Council of the Central Provinces, which, by reducing the salaries of ministers to the ridiculous figure of Rs. 2 per annum, had made the working of dyarchy impossible. Several opportunities were afforded by the Governor to the Swarajist majority to consider their attitude, but these were not accepted and the Governor General of India in Council with the sanction of the Secretary of State in Council was forced finally to order the suspension of dyarchy in the Central Provinces from April 20th, 1926 to the 31st January 1927, that is, to the date at which a new Council as returned by the November elections could meet.

A very interesting meeting took place in Simla at the beginning of September when five Presidents and three Deputy Presidents of Provincial Legislative Councils sat in conference in Simla under the Chairmanship of the Honourable Mr. V. J. Patel, President of the Legislative Assembly. The conference disposed of an agenda containing 35 points, most of which related to procedure in the Assembly and in the Provincial Councils in respect of budget legislation, resolutions, and questions. This conference was the second of its kind so far held, and the advantages of such meetings for the development of a united system of procedure in the different Legislative bodies in India are sufficiently obvious.

The meetings of the various political or quasi-political bodies which are held in December were somewhat over-shadowed this year by the triennial elections whose results continued to be announced until well into December. The annual session of the Indian National Congress which used to be, and, indeed, still is one of the most important events of the Indian year, received far less than its usual preliminary notice from the press and until the session actually began public interest in it can quite fairly be described as only lukewarm. There were several reasons for this comparative lack of interest in the National Congress this year. In the first place, as was pointed out in last year's report, the Indian National Congress no longer represents the great bulk of Indian political opinion as it undoubtedly did represent it



THE PRESIDENTS' CONFERENCE, SIMLA—1926.

Sitting—The Hon. Mr. J. M. Kale (President, C. P. Legislative Council), The Hon. Rai Bahadur Lalla Sita Ram (President, U. P. Legislative Council), The Hon. K. B. Khuwaja Mohammad Noor (President, Bihar and Orissa Legislative Council), The Hon. Mr. V. J. Patel, President, Legislative Assembly), The Hon. Kumar Sahib Shikhareswar Roy (President, Bengal Legislative Council), The Hon. Maulvi Abdul Hamid (President, Assam Legislative Council).

Standing—Babu Gopendra Lall Das Chaudhri (Deputy President, Assam Council), A. de C. William, Esq., I.C.S. (Secretary, Bengal Legislative Council), J. A. Samuel, Esq. (Secretary, Presidents' Conference), Dr. A. Surhrawardy, (Deputy President, Bengal Legislative Council).

before the introduction of the Montagu-Chelmsford Reforms. Successive defections have left the Indian National Congress in the hands of a group representing one particular shade of political opinion most of whom are Hindus. Again there was nothing this year to give to the Congress any adventitious importance such as had been given to it the previous year by the quarrel between the Swaraj Party and its recalcitrant wing, the Responsive Co-operators. Readers of last year's report will remember that the leaders of the Swarajists and the Responsive Co-operators, after a period of bitter public controversy had agreed to a truce until the meeting of the Indian National Congress in December 1926 when fresh attempts would be made to reach an agreement between the disputants. This year, however, the Responsivists and certain other groups, of allied political ideals, decided that as there appeared to be no prospect of reconciling the differences between themselves and the Congress Party with the help of the Indian National Congress, they would not attend the Session and the only important Non-Swarajist present at the meeting was Pandit Madan Mohan Malaviya. Lastly, the coincidence of the elections with the preparations for the Congress Session emphasised, as nothing else could have done, the truth that Indian political life now centres in the Legislatures set up under the 1919 Act, and that Indian political aspirations now look to them for their realisation.

The proceedings of the National Congress may be dismissed for the present with a few words since they will be further discussed later. The President this year was Mr. Srinivasa Aiyanger, a gentleman wellknown in Madras, who at one time held office under the Madras Government. As usual the presidential speech was the most important part of the proceedings of the Congress since it was a general statement of the policy of the political party represented in the Congress.

Briefly, the presidential speech this year approved of the policy of the Swarajist party and announced the latter's determination to continue in that policy. It stated definitely that the Swarajist party would oppose the formation of ministries in the provinces until the All-India Congress Committee, which is in effect the executive committee of the Swarajist party, was satisfied with the response made by the Government to the party's demands for constitutional reforms satisfactory to Indian national opinion. The main resolution passed by the Congress at this meeting defined

the policy of the Indian National Congress and consequently, the policy of the Indian Congress (Swaraj) party in the following words:—"In pursuance of the policy and general lines of work laid down in its election manifesto, this Congress reiterates its resolve that the general policy of Congressmen in the Assembly and various Councils shall be one of self-reliance in all activities which make for the healthy growth of the nation and of determined resistance to every activity, governmental or other, that may impede the nation's progress towards Swaraj. In particular, Congressmen in the legislatures shall—

(1) Refuse to accept Ministerships or other offices in the gift of the Government, and shall oppose the formation of Ministries by other parties until, in the opinion of the Congress or the All-India Congress Committee a satisfactory response is made by the Government to the national demand.

(2) Refuse supplies and throw out budgets until such response is made by the Government, or unless otherwise directed by the All-India Working Committee.

(3) Throw out all proposals for legislative enactments by which the bureaucracy proposes to consolidate its powers.

(4) Move resolutions and introduce and support measure and Bills which are necessary for the healthy growth of national life and the advancement of the economic, agricultural, industrial and commercial interests of the country, and the consequent displacement of the bureaucracy.

(5) Take steps to improve the condition of Agricultural tenants by introducing and supporting measures to secure fixity of tenure and other advantages, and generally protect the rights of labour, agricultural and industrial and adjust the relations on an equitable basis between landlords and tenants, capitalists and workmen.

This resolution will be discussed later in the light of developments generally in Indian politics during the year.

Whilst the Indian National Congress was meeting at Gauhati in Assam in the far north-east of India the annual meeting of the

Dr. MUTHULAKSHMI AMMAL,
Deputy President of the Madras Legislative Council.

Muslim League was taking place in Delhi. The delegates of the League were concerned almost entirely with matters peculiar to their own community and with the means to be adopted to prosper the interests of Muhammadans in India. At one point their discussion touched the general politics of the country when the question of joint or separate communal electorates was discussed. As we have already seen the delegates preferred the system of separate communal electorates and they showed, moreover, that they wanted greater representation both in the legislatures and in Public Services.

The last meeting to be noticed here is the annual meeting of the Indian Liberal Federation which also took place at the end of December. The President of the Liberal Federation this year was Sir Sivaswami Aiyer, one of the oldest and most respected of Indian Political leaders. His speech for the most part kept close to the realities of present conditions in India. He asked for the rapid Indianisation of the different Government services and in particular for the free admission of Indians to all branches of military service. He was on firm ground when he said " that the most effective argument which India could use with the British Parliament was the production of proof that the present constitution had been used to the utmost possible extent by Indian politicians of all shades of opinion. This would be a convincing argument that India was ready for further advance to responsible self-government."

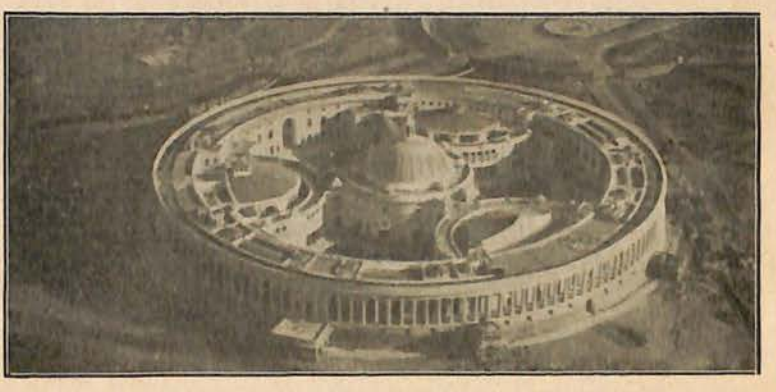
For the women of India in particular the beginning of the year 1927 witnessed an event of great significance and rich promise for the future. Among the members nominated by His Excellency the Governor of Madras to the Madras Legislative Council was a Lady, Doctor Muthalakshmi Ammal, a well-known and successful medical practitioner, deservedly and widely respected as a devoted social worker, and one, moreover, whose knowledge and experience have been strengthened by travel and study abroad. Dr. Muthalakshmi Ammal is the first Indian Lady to sit in an Indian legislature, and the Madras Legislative Council very wisely marked their appreciation of this important fact, and of the public services of the lady who had this honour, by electing her to the very responsible post of Deputy President of their Council.

About three weeks after the conclusion of the abovementioned meetings, an event occurred which it is to be hoped will for

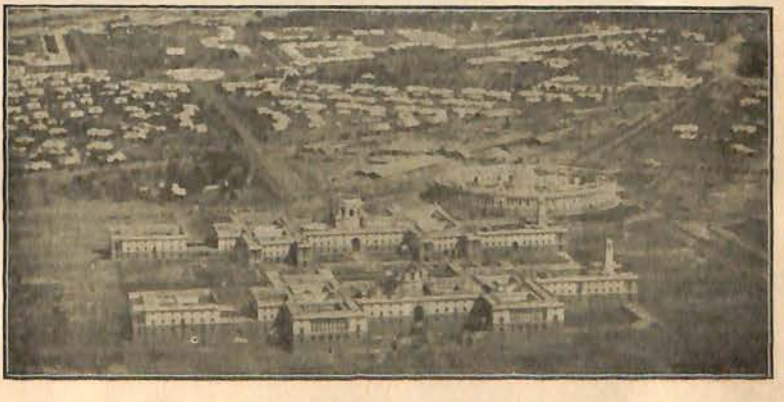
ever be one of the greatest landmarks of Indian political history. This was the opening of the Council House in the capital of India—New Delhi—by His Excellency Lord Irwin. The presence of members of the two Houses of the Indian Legislature, of distinguished Indian and British visitors from all over India, and of representatives of the Indian princes marked the ceremony as one of singular significance for the whole of India comprising British India and the Indian States. In inviting His Excellency the Viceroy to open the building, Sir Bhupendra Nath Mitra, member of the Governor General's Executive Council in charge of the Department of Industries and Labour, made a speech of great interest in which he described the building and its architectural beauties. He spoke also of the laying of the foundation stone by His Royal Highness, the Duke of Cannaught on February 12th, 1921 and of how His Royal Highness had said that this building would be not only the home of new representative institutions but would, he trusted, stand for future generations as a symbol of India's re-birth to higher destinies. In replying Lord Irwin began by reading a message in the following words from His Majesty the King Emperor.

" Fifteen years ago in Delhi, I gave public expression to the hope that the great changes then to be effected might bring increased happiness and prosperity to India. On this solemn occasion I desire to associate myself with the outward completion of a great part of the task then undertaken. The new capital which has arisen enshrines new institutions and a new national life. May it endure to be worthy of great nation, and inspire the Princes and people of India with ideals of brotherhood and service, by which alone the peace and true prosperity of my subjects may be secured. I earnestly pray that in the Council House about to be opened, wisdom and justice may find their dwelling place, and that God's blessing may rest upon all those who shall henceforth serve India within its walls." Continuing, His Excellency said that this day brought home with a special significance the reality of the declaration of August 1917 in which His Majesty's Government gave definite and explicit recognition to the goal towards which their policy in India would be directed. " Therefore " he said, " this Council House will stand as the outward expression of the set purpose and sincere desire of the British people, and the opening of its doors would appear to be the most

His Excellency Lord Irwin opens the Council House.



A View of the New Delhi Council Chamber from the Air.



New Delhi from the Air.

appropriate ceremony with which to inaugurate the new centre of the Government of India. But this is not all. If the war was the parent of great movements in the political thought of men, it taught us in clear language how intimately the ties which unite India with her sister nations of the Empire depend upon the fact that they are woven round the common centre of allegiance to the Crown. Only through that allegiance to its head, does each member of the Imperial body preserve its individual nationhood, and simultaneously achieve firm and enduring unity with its fellows. It was thus a noble conception of the architect to give form to this idea by housing within one circle the three bodies, the Chamber of Princes, the Council of State, and the Legislative Assembly, signifying thereby the unity not of British India only, but of all India under the Imperial Crown.

But the circle stands for something more than unity. From the earliest times it has been also an emblem of permanence, and the poet has seen in the ring of light a true symbol of eternity. May therefore we and those who follow us witness, so far as we may, the fruition of these twin conceptions. As our eyes or thoughts rest upon this place, let us pray that this Council House may endure through the centuries, down which time travels towards eternity, and that, through all the differences of passing days, men of every race and class and creed may here unite in a single high resolve to guide India to fashion her future well."

After this His Excellency advanced to the door of the building, where the architect Sir Herbert Baker handed him a golden key with which he opened the door, and it is to be hoped, a new era in the life of India.

CHAPTER II.

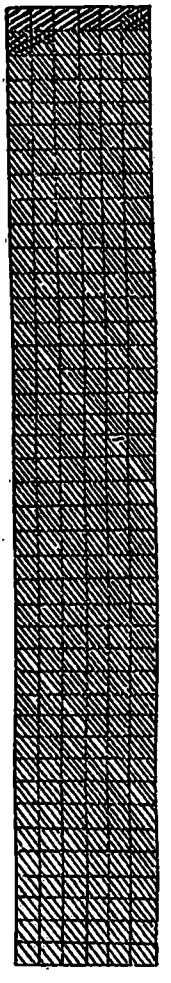
Politics and the Indian Legislature during the year.

To write an annual account of the politics of England, or of any other country with a historic constitution and long established political institutions, appears, to one who sets out to write of the year's politics in India, a comparatively easy task. For, when the work of the national legislatures of these countries, and the relations with each other of their different political parties, well defined and properly organised as they are, have been chronicled and described, the tale has been told sufficiently well. The Parliamentary politics of such countries reflect fairly accurately their general economic and social conditions, and their main political and social problems are fundamentally problems of economics, a circumstance which greatly helps a student to understand them and make up his mind about their rights and wrongs. This prolegomenon is introduced in order to indicate one of the chief difficulties in the way of producing an intelligible and reasonably faithful account of Indian political affairs during the year, for a mere description of the doings of the Indian legislatures would give a falsely simplified picture of the Indian political scene. A few leading figures would be presented, but the very varied background against which they ought to be seen would be left almost entirely untouched. It was said above that the main political and social problems which face the government of western countries are, at bottom, economic problems. This cannot be said of India. She has, of course, her own problems of economics not less important than those of any other country in the world, but these are much over-shadowed, at any rate for some sections of her people and for outside observers of her affairs, by the absorbingly interesting problems of a purely constitutional kind which are now in process of solution. It is only natural that the pace and manner of India's progress to responsible self-government should occupy the attention of the educated part of her people to the virtual exclusion of less exciting topics, and second in importance only to this main interest is the question of the form which the future constitution of self-governing India is to take, that is—shall

DIAGRAM.

The Voters of British India.

7·4 Millions — Enfranchised (Shaded deep)



239·6 Millions — Unenfranchised (Shaded light)

N.B.—Each square represents 1,000,000 of population.

India become a federation like Australia, a quasi-federation like the Union of South Africa, or shall she remain, as at present, under a definitely unitary government which for administrative and political reasons has delegated some functions and powers to certain constituent units, namely the provinces. The existence of such fundamental problems as these, indicating as they do the wide scope for change and development in the constitution of India, adds greatly to the interest of Indian politics but also makes the task of describing them one of much difficulty. For, although the legislatures, particularly the two chambers of the national legislature—the Legislative Assembly and the Council of State—are rightly regarded as the centre of Indian political life, they do not embody political forces and movements in this country as completely as, for example, Parliament and Congress do in England and America.

It should not be forgotten that present-day India is a nation-state in the making, and that many powerful forces, among which the existing system of government is only one, although a very powerful one, are at work on the process of manufacture. For some generations past, British rule has exercised in India a strongly centralising and unifying influence which is now embodied and made visible in the several legislatures set up under the present constitution. The Government of India Act of 1919 and the rules made under its authority are something far more than a mere code of rules for administration. They are, or at any rate are capable of becoming, the tap-root of a great growth of constitutional practice and privilege, suited to the needs and circumstances, and expressing the character of the Indian peoples. The Act of 1919 is one of a distinguished brotherhood—the statutes of the British Parliament on which the existing governments of the overseas Dominions are based—and because it belongs to such a brotherhood, it is an intensely practical document. It confers on the people of India certain powers and gives them certain opportunities, and, above all, brings into existence conditions under which they can themselves work out and secure the pattern of Government which they want. When critics of the Act complain that it does not confer responsible self-government on India, the answer is that responsible self-government has never been specifically introduced into any British Dominion by any statute of Parliament. Its introduction has been due to constitutional

practices and usages based on those of the mother country. But although the Act of 1919 does not give responsible self-government—which cannot be "given" by one people to another—to India, its provisions apply to this country and bring into operation here, two great principles which are the mainspring of every type of modern democratic government. These principles are the responsibility of the executive part of the government to a representative legislature, and the right of every duly qualified citizen to take his share in choosing his representative. It may be, it is, often complained that the application of these principles to India is incomplete and their operation halting. Dyarchy is denounced as a sham, the lack of responsibility on the Central Government is made a cause of reproach against the whole system, and critics have not failed to notice that only something less than seven and a half millions out of nearly 240 million inhabitants of British India have got a vote either for the Central or Provincial Legislatures. These complaints may be justified by reference to some ideal canons of representative government but not by reference to the circumstances of British India. Anybody who studies the history of India during the last six years impartially, will hesitate to question the statement that the establishment of complete responsibility in 1919 in either the Central or Provincial Governments would have been not a boon but a disaster. It would have proved a disruptive instead of a unifying force, and the nation-building process which has been going on for so long under the British hegemony would have been stopped if not violently reversed. The causes of the present Hindu-Moslem trouble, as we have already analysed them, show something of the disruptive power of the ideas and ambitions which are the inseparable connections of the new model of government, even in presence of the strong safeguards which Parliament has retained. Yet even present-day Hindu-Mohammedan rivalry when properly analysed may be seen as a potential nation-making force. It would be intolerable if we had to regard the present differences between the two communities as absolutely irreconcilable except by the forcible subjection or assimilation of one by the other. Sooner or later, all that is respectable in them both will have to revolt from this suicidal strife, from which one way of escape has been already indicated, or else the ideal of a united autonomous Indian Nation-State will remain an ideal unrealised. These present

discontents may be, and can be, made to be nothing more than the growing pains of the Indian nation. But the Hindus and Mohammadans are not the only communities in India which experience a sense of separate communal unity and desire to safeguard or extend their peculiar interests. In certain parts of India, notably in the Madras Presidency, inside the Hindu fold itself, there is a distinct cleavage between Brahmins and non-Brahmins, the latter alleging that the former carry their religious spiritual supremacy over into more mundane affairs. In Madras the chief interest in post-Reforms politics has centred in the struggle between the Brahmins and the non-Brahmins, which has also laid down the main lines for such party grouping as has taken place in that presidency. Yet again, over against both Brahmin and non-Brahmin Hindus stand the so-called depressed classes, a vast multitude estimated at about 60 million souls, who have hitherto been denied some of the most elementary social rights by their Hindu fellow citizens or masters. The struggle of the untouchables against their lot is only now beginning, but it is bound to be an increasingly important factor in Indian politics from year to year. Thus, Indian politics have their roots deep in the soil of religious, social, and even racial distinctions, and if they appear to the casual observer to resemble an unusually varied kaleidoscope the reason is that they are moved by such a bewildering complexity of forces.

Indian provincial politics, again, represent another strong force working to mould the Indian constitution. The size of India and the diversity of her conditions, physical, racial, and cultural, are alone sufficient to inform even the most casual observer that her people and their life and problems must differ from province to province. The problems and interests of the Punjab are not those of Madras, and even adjoining provinces can give examples of how differences in social, economic, and other conditions are governing politics. Each province has under the reforms become an individual political unit with its own particular policy and its own particular divisions of opinion. As far as the Punjab, for example, is concerned, there is reason to believe that when the time becomes ripe for the formation of true political parties, these will be divided into the champions of rural and urban interests respectively. Elsewhere the main distinction will probably be between capital and labour, landlords and tenants, and so on.

Again, the division of the functions of Government between the Central and Provincial Governments undoubtedly tends to develop provincial individuality and to strengthen the feeling of loyalty to the province rather than to India and the Government of India. So many of the powers of government which chiefly interest citizens are now exercised by the provinces that it is only natural that for the ordinary man the political horizon should tend to coincide with the provincial boundary. This tendency is strengthened in provinces which, like Bengal and Madras, are more or less coterminous with, or at any rate include within their boundaries, certain areas which in past times were separate kingdoms with a homogeneous population and culture. Thus, of recent years we have heard much in India of demands for "provincial autonomy," and regularly, in the various legislative bodies, resolutions are introduced which seek to make one or other of the linguistic or ethnographical areas of India into a separate province, even a separate autonomous province. When it is remembered that the Government of India Act of 1919 gave to the provinces the very important duty of training Indian public men for responsible self-government by allowing them to handle some of the instruments of responsible self-government, no surprise will be felt at the statement that many of the most important developments in Indian politics are taking place in the provinces.

These varied reflections then, all lead back to the point from which we started, namely, that Indian political life is far from being comprised in the doings of the Indian Legislative Assembly and Council of State. It has been necessary to demonstrate this at some length because nothing but confusion can arise from any attempt to see the Indian Legislature as the exact counterpart of Parliament or to look in its transactions for the same comprehensiveness, authority, and finality as mark the doings of the three Estates of the Realm in England. It must be repeated that the Indian Legislature is one of a number of agencies and forces now working to create and shape conditions out of which an Indian Nation-State, with its own appropriate political constitution, will grow in the future. Yet, on the other hand, it is neither necessary nor desirable to belittle the importance of the Central Indian Legislature. Imperfect as its authority is at present, overshadowed though its work now may be by interests and movements outside its walls, it yet stands as the only truly national political

institution in all India capable of representing all classes and communities, and, ultimately, of embracing and reconciling all interests. If any certain conclusion can be drawn from the political experience of India during the past six years, it is that the legislatures set up by the 1919 Act, and particularly the Central Legislature, have established their prestige over the various political and quasi-political organisations which once contested with them for popular attention and esteem. The All-India National Congress lives now on its old reputation, won before the present legislatures were ever thought of, and its prestige and influence wane as those of the legislatures wax. The Legislative Assembly, and, to an almost equal degree each provincial council, mirrors the prevailing political conditions of the country and shows sufficiently faithfully the broad trend of Indian politics. The results of the elections which were held during November 1926 illustrate this point clearly enough. Readers of last year's report will remember the description there given of the division of the hitherto solidly united Swaraj party into two separate wings —" The No-changers," and the " Responsive Co-operators," and the reasons for believing that the latter, in abandoning the more extreme doctrines of the Swaraj party, were acting in harmony with the opinions of the majority of their fellow countrymen. These different phases of opinion were reflected with sufficient accuracy in the elections to the Legislative Assembly. Excepting the Madras Presidency, where they almost entirely swept the board, the Swarajist party definitely lost ground, and in one or two parts of India, notably in the Bombay Presidency, candidates either openly calling themselves Responsive Co-operators or holding their opinions, scored successes at the expense of the Swarajists. The Swarajist successes in the Madras Presidency were very largely due to conditions peculiar to that province, and represented in part, at any rate, a revulsion from the ascendency of the non-Brahmin party in Madras politics. The non-Brahmins had taken enthusiastically to politics after the inauguration of the Reforms, had organised themselves into a compact party and had managed to make themselves the dominant factor in the Legilative Council and in the ministry. But, like their fellows elsewhere, the Madrassi electors, after six years of one political party, decided that they would like a change, and this natural desire was used with much skill by the Swarajists to secure the return of their

own candidates to the Assembly. Another circumstance which favoured the Swarajists was their organisation. Except for the "Justice" party in Madras the Swarajists were the only party who possessed any organisation worthy of the name. They were further helped by the extreme state of division among their opponents. In some constituencies there were as many as four or five candidates, and, apart from those places in which the Non-Swarajist candidates happened to have strong local influence, the effect of the Swarajist organisation was shown by the success of the party's candidates. Yet even with these advantages the Swarajists definitely lost ground on the whole both in the Legislative Assembly and in the Provincial Councils. In the latter they managed in Madras to capture roughly half the seats, and in Bihar and Orissa they held their ground; in the Bengal and Bombay Councils they were left rather worse off than before, whilst in the Central Provinces Council they were very much weaker. In the Punjab and the United Provinces the Swarajists found themselves involved in a regular landslide in which they almost disappeared from the Councils of these two provinces. In the Legislative Assembly they claimed to have 40 out of a total of 104 elected members but on no occasion did they take 40 voters into the lobby, not even for the division on the Rupee Ratio Bill when they were practically at their full strength. Actually, their total numbers amounted to a little over one-third of the elected members of the House. The rest of the elected members were divided among Mohammadans, Responsive Co-operators, Independents, Hindu Mahasabhaites and a few who had entered the Assembly with no party label.

The prevailing state of Hindu-Mohammadan relations, again, strongly influenced the party affiliations of candidates at the elections, particularly the Mohammadan candidates. Very few Mohammadans stood for election on the Swarajist ticket and nearly all of those who did so were from Madras and Bihar and Orissa. Elsewhere, particularly in the Punjab, Bengal, and the United Provinces, where communal tension was and still is very strong, candidates stood as Mohammadans first and foremost. Also in the Punjab and the United Provinces Mohammadan communal candidates were balanced by Hindu communal candidates who stood for election under such names as Hindu Mahasabhaites or Independent Congress party men. In fact throughout the whole

of Northern India communal feeling played an important part in deciding the elections. The same feeling was at work influencing the groupings of members after the first meeting of the Legislative Assembly in January. The Assembly met with only one party, the Swarajist, or as its members now prefer to call it, the Congress Party, and one small group, the non-official European group, definitely in existence. After a few days of hesitation, however, nearly all the Hindu elected members of the Assembly who did not belong to the Swaraj party formed themselves into a " Nationalist " party under the leadership of Pandit Madan Mohan Malaviya, Mr. Jayakar and Lala Lajpat Rai. The old Independent party which, under the leadership of Mr. Jinnah, had played such an important part in the previous Assembly, practically disappeared. Two Hindu members and a few Mohammadans sat on the benches behind Mr. Jinnah but their party organisation and discipline remained defective throughout the Delhi Session. The majority of Mohammadan members sat aloof in an un-organised group. It will be seen therefore that both the composition and the grouping of the Legislative Assembly illustrate faithfully enough the effects of two of the strongest forces at work in Indian politics at the time of the elections, that is, the movement away from extra-constitutional and towards constitutional methods of agitation for further reforms in the system of Government in India, and also the communal antagonism which at present cuts across all other lines of political division.

The testimony of the provincial Legislative Councils is equally striking. Last year's report described how dyarchy had ceased to function in Bengal and the Central Provinces because their legislative councils refused to grant the ministers' salaries. After the November elections, dyarchy was restored in the two above mentioned provinces, and ministers have been appointed and kept in office everywhere else, even in the Madras Council where the Swarajist Congress party has the deciding voice. The figures of the voting for the restoration of dyarchy in Bengal and the Central Provinces deserve to be quoted for they are very significant. In Bengal the demand for the ministers' salaries was passed by 94 votes to 38 and in the Central Provinces by 55 to 16. It will be seen therefore that the provincial legislatures also express the opinion prevailing among the people whom they represent.

Until the present year, every year since the introduction of the Reforms has witnessed developments in political opinion in this country, and changes consequent thereon in the organisation and affiliation of the different political parties and in their relations with each other. Thus, between 1921 and 1923 the non-co-operation and Khilafat agitations and their gradual decay occupied the attention of all who were interested in Indian politics. The non-co-operators split into two sections, the one led by the late Mr. C. R. Das and Pandit Motilal Nehru maintaiuing that the best way to force the Indian Government and Parliament to concede demands for constitutional changes satisfactory to the non-co-operators was to enter the different legislative bodies, and, by obstructing all their business, make their working and consequently the working of the reformed constitution impossible. The other section, headed by Mr. Gandhi, absolutely opposed this view and stood for no change in the non-co-operation programme. The result of this conflict of opinion was the formation of the Swaraj party, whose members entered the Central Legislature and the Provincial Councils at the elections of November 1923 in substantial numbers with the intention of carrying out the wrecking programme adopted by their leaders. The failure of the Swarajist attempt to paralyse the existing constitution despite their partial—and temporary—successes in Bengal and the Central Provinces is now a matter of history. It is common knowledge also that since the beginning of 1924 the tactics and policy of the Swaraj party have been changed subtly but sensibly by the force of circumstances and the pressure of public opinion, which itself has altered immensely since non-co-operation days. The events between January 1924 and April 1926, which led to the partition of the Swaraj party as originally constituted by the late Mr. C. R. Das and Pandit Motilal Nehru, were described in sufficient detail in last year's report and need not be repeated. It is enough to say that no material change in the relations between the Swaraj-Congress Party and the Responsive Co-operators has taken place during this year, which, in fact, has been singularly devoid of any noteworthy developments in Indian party politics. It is likely that the growing tension in Hindu-Mohammadan relations is largely responsible for this surface stagnation of politics, but it is also likely that the approach of 1929, the year when a Statutory Commission will enquire into the working of the existing consti-

tution, has had something to do with it. For it is very difficult to avoid the belief that the present state of communal relations has forced upon the attention of all thoughtful persons in India the need for some improvement in this vitally important matter before changes in the direction of greater autonomy are possible or, even, desirable. Later, when we come to the account of the Delhi Session of 1927, we shall consider specific examples of the way in which the communal question affects the great constitutional problem of India's progress towards responsible self-government.

One political event of the year, however, calls for special mention because it is one of the clearest proofs so far given of the growth of the reformed legislatures in popular esteem and prestige. The event referred to was the return of the Swaraj party to the Legislative Assembly during the autumn session of 1926 in Simla.

It will be remembered that on March 8th, 1926, the whole of the Swaraj party walked out of the Legislative Assembly after their leader, Pandit Motilal Nehru, had made a short speech in which he claimed that the Swarajists had co-operated with the Government of India and had helped to work the reforms for two and a half years and in return had received nothing but humiliation. This demonstration by the Swarajists raised but slight enthusiasm in the country, and within a very few weeks it became obvious that the bulk of public and newspaper opinion would welcome their return to the Legislatures. The two chambers of the Central Legislature were not to meet again until August the 17th but the next sessions of one or two provincial councils were due to begin earlier than this date, and when these met, their Swarajist members took their seats without any further ado. The decision of Pandit Motilal Nehru and his followers in the Legislative Assembly, however, was in doubt up to the last moment. Some of the Swarajist members of the Council of State were present at the inaugural meeting of the session but none of the Legislative Assembly Swarajists attended. The most important item of business on the agenda of the session was a Currency Bill to give effect to one of the proposals of the Royal Commission on Indian Currency whose report had been made public during the first week in August. This was the proposal to stabilise the rupee

at 1/6*d.* gold. Later, an account will be given of the formidable opposition to this proposal raised by certain interests in India. The intense interest taken in the Currency Bill convinced the Swarajist Leader that he ought not to hold aloof from the Legislature. The Bill was introduced on August 18th and came up for discussion on August 23rd. When the House assembled on the afternoon of that day the Swarajists entered with the other members. As it happened, the House, on the motion of a non-official elected member, decided to circulate the Bill for opinion, whereupon the Swarajists left the Assembly and took no further part in its proceedings.

The importance of the incident lies in the fact that it is one more proof that the reformed legislatures and particularly the Central Legislatures are the only national All-India Bodies now in existence, and that their prestige is now firmly established over all other political organisations in India. Whatever also the Reforms may have left undone, they have at any rate brought into existence and now firmly established these representative institutions which may in the end prove to be among the strongest of the forces working to build the Indian Nation-State of the future.

Recently, an epigram has become current to describe this victory of the legislatures over those whose aim it has been to destroy them or render them ineffective. It is said that " evolution has beaten revolution." This epigram, besides being vague, really goes much too far. It would be more accurate to say that the councils have beaten the caucus. There is very little reason to doubt that the actions of the Swaraj party in the legislatures, ever since its formation, have been largely controlled by a small caucus, namely the All-India Congress Committee which is the executive Committee of the All-India National Congress. It was this caucus which decided that the party should walk out of the legislatures in March 1926 and it was this caucus which decided the action of the Swarajist party on the Currency Bill during the Delhi Session of 1927. This intrusion of the All-India Congress Committee into the business of the legislatures has more than once been attacked by Indian politicians of non-Swarajist views, particularly during the debate which followed the withdrawal of the Swarajists from the Assembly, when it was strongly condemned by speakers on more than one side of the House. There is very little doubt

that the idea of government by caucus is repugnant to many influential Indian politicians. Thus, although no political incidents and developments of picturesque or dramatic interest took place this year between the Delhi and Simla Sessions of the Indian Legislature, public opinion and the force of circumstances had been working silently but effectively to urge the Swaraj party to take another long step away from the position which it had occupied at its inauguration, and, as we have already noticed, the results of the general election this year were to force them to take yet another step in the same direction, a step which has brought them to a point at which they are willing to acquiesce in the formation of ministries and the working of the reformed constitution, even if they are not yet ready to give to these their active support.

The Simla Session occupied a fortnight—the last half of August, and the only transactions of any importance during the session were the introduction of the Currency Bill and the debate, mentioned in the preceding chapter, on the resolution relating to religious celebrations. After the conclusion of the Simla Session certain triangular negotiations were carried on between the leaders of the Responsive Co-operators and Pandits Motilal Nehru and Madan Mohan Malaviya. From what was made public, it seems likely that these negotiations began as an attempt to unite the Swarajists and the Responsive Co-operators, and as many of the old Independent Party as possible, in a national party. However, it soon appeared that the time was not yet ripe for such a development as this, and after the Responsive Co-opertors had examined first the possibility of re-union with the Swarajists, and subsequently of an alliance with Pandit Madan Mohan Malaviya and as many of the Independent Party as would accept his leadership, these negotiations broke down leaving things much as they had been before the session, that is to say, leaving the Swarajists standing ostensibly on their old doctrines, the Responsive Co-operators determined to try the effect of accepting ministerships and other offices, and all others practically un-organised, and unaffiliated to any definite party. In the United Provinces those who inclined towards the views of the Responsive Co-operators, and orthodox Hindus, came together in a loose coalition which was sometimes called the Independent Congress Party, whilst in the Punjab the majority of Hindu candidates for the November elec-

tions rallied to Lala Lajpat Rai and called themselves frankly Hindu Mahasabhaites. As we have seen the Mohammadans stood aloof from all these parties except those few who stood for election on the Swarajist platform.

The near approach of the elections, by absorbing the attention and occupying the energies of the politically ambitious, forbade any further efforts to draw these isolated groups and individuals into a comprehensive party and united opposition to the Government, whilst between the elections and the annual meeting of the All-India Congress there was no time for a renewal of attempts at combination. The Congress this year was thus robbed of much of the interest which had attached to its predecessor. Until the very opening of the Congress, speculation played freely with the possibility that some move might be taken by the Swarajist representatives in the Congress in the direction of the Responsive Co-operators, or, at any rate, that some gesture of friendship to them might be made. The presidential speech showed clearly how little foundation there had been for such speculation. Briefly, it was an uncompromising defence of the previous policy of the Swarajist party in the Legislative Assembly and provincial councils, which, the President, Mr. Srinivasa Aiyanger, declared had been justified by the results of the general elections. He gave reasons to show that the Legislative Councils were not really representative and that dyarchy was unworkable. Under this "grotesque system" Ministers were always under official tutelage and domination and could not "breathe the oxygen of freedom." "It would be a tragedy" he said, "if we still sought to discover in all this statutory hypocrisy, the germs of self-government."

What, again, he asked, is the use of responsible provincial government without a responsible Central Government? "Any scheme of self-government will be nothing but an empty form if the control over the Army and Navy and the control over the political relations with the Indian States, as distinguished from foreign relations with other countries, are not given to our Swaraj Government."

As to work in the Assembly and the Councils, the general policy, said Mr. Aiyanger, should be "one of resistance to every activity, governmental or other, that may impede the nation's

progress towards Swaraj." The refusal to accept office till a satisfactory response was made, he added, " constitutes an amount of political pressure that is necessary and sufficient to induce the Government to come to a settlement."

He next dwelt on the constructive programme of the Swaraj Congress Party outside the Councils—khaddar, prohibition, removal of untouchability, communal unity, etc., and concluded with an appeal for unity. " There can," he said, " be only two parties in India, the party of the Government and its adherents that obstruct Swaraj, and the party that fights visibly and unceasingly for Swaraj."

As a rule the presidential speech is the most important part of the annual session of the Congress, since it strikes the note for subsequent speakers to repeat, and on it are modelled the resolutions which the delegates to the Congress accept. Thus all the points which Mr. Srinivasa Aiyanger raised in his speech were summarised in the main resolution, reproduced in an appendix to this book, which the delegates to the Congress passed by a large majority. An air of unreality hangs over the whole of the proceedings of the 1926 Congress. It must be understood that this year, more definitely than ever before, the Indian National Congress represented only one section of Indian political opinion, namely the opinion of the Swaraj party, which now calls itself the Congress Party. The words of 1926 were the words of 1923 but they were spoken in vastly different circumstances. For three years, the actions of the Swarajists and their leaders in the Legislative Assembly, and in most of the provincial councils, had belied these words, and the extent to which they had belied them is the measure of their statesmanship. Wherever they had departed from their policy of wrecking the constitution and of automatic destruction of all acts of Government they had done so with demonstrable benefit to their country and to their own political education. This meeting of the Congress was held within two or three weeks of the declaration of the final results of the general election in which, despite their greatly superior organisation and resources, the Swarajists had on the whole lost ground to the various groups of their opponents. The latter, although disunited and hostile to each other for the purposes of the elections, nevertheless had this in common that they would have nothing to do with the Swarajist

wrecking policy which, even if it were successful, could do no more than bring India's progress towards responsible self-government to a stand-still and restore the old official administration in all its pristine strength. The one province where the Swarajists had gained ground was Madras and by the time the Congress Session opened it had already become clear that the Madras Swarajists were not disposed to allow themselves to be robbed of the fruits of their victory at the polls. It is difficult, therefore, to resist the conclusion that the policy now repeated by Mr. Aiyanger conforms neither to the needs nor the conditions of India to-day. Most probably his speech was meant as a manifesto that the losses suffered by the Swaraj party through the defection of many of its ablest members had not shaken its morale or confidence in its future.

Another part of the speech which it is not easy to relate to the circumstances of present day India is that in which he referred to the formation of an Asiatic Federation. " The time has perhaps come " he said " for us seriously to think of a Federation of the Asiatic peoples for their common welfare. So long as our neighbours were ruled by irresponsible autocrats, such an idea was clearly out of the question. Now that Angora, Persia, China and Siberia are governed by democracies, a federation of Asiatic democracies will make for peace, prosperity, and freedom of Asia and therefore, comes within the range of practical politics." It is unnecessary to probe with too keen a criticism such a proposal as this in which the word ' federation ' is obviously used in a sense other than the generally accepted one.

The 1926 meeting of the Indian National Congress was, it must be acknowledged, a disappointment to all those who wanted to see the political leaders of India at last united in the determination to use the means and avail themselves of the opportunities of political education and constitutional progress provided by the Act of 1919. It is disappointing not because there is any likelihood that the Swarajists are likely to try seriously to implement the old policy thus reaffirmed by Mr. Srinivasa Aiyanger, since the state of public opinion in India and the force of circumstances have for some years past made this policy increasingly unworkable. Indeed it might be said that the country has already pronounced its verdict on the Gauhati resolution by restoring or maintaining

dyarchy in every province in India, and in this verdict the Swarajists of certain provinces have concurred tacitly, if not openly, without any condemnation of their behaviour by the Executive Committee of the Swaraj party. But the disappointment lies in this—the Swaraj Party is the strongest single political party in India and although its representation on the Legislative Assembly and in the Provincial Legislative Councils is perhaps out of proportion to the amount of real support which it has in the country, it does represent a by no means negligible section of Indian political opinion. Now the Act of 1919, by introducing into India certain political institutions, and by laying the foundations of a modern progressive type of government, set before the political leaders of this country an ideal, and imposed on them the duty and privilege of trying the new model of government and helping to adapt it to Indian needs and conditions. The way in which some of the leaders responded to their duties and privileges has been fully described in earlier numbers of this report, which, further, have shown how certain others misunderstood and rejected the opportunities offered to them. Clearly the refusal of some leaders of a large and influential body of opinion to collaborate in the experiment makes the latter lose much of its value. It is as though one should take out a motor car for a hill-climbing test and discover that one of the pistons had seized. In such circumstances the capacity of the car to accomplish the work asked of it could not be gauged. With all its cylinders working it might or might not be able to climb the hill. This simple analogy may help to bring home the true reason for the insistence by the Indian Government and Parliament of the necessity for the co-operation of the Swarajists in trying out the possibilities of the 1919 Act and the suitability to Indian conditions of the constitutional system whose embryo it is. Certainly this insistence is not a demand for unconditional surrender, as is so often said, but is merely an insistence on the performance of an essential part of the experiment which, omitted, cannot but spoil the value of the whole and cause it to yield only incomplete and unsatisfactory results.

Because our attention has been largely devoted to considering the part played in Indian politics by the Swaraj Party and the All-India National Congress it must not be thought that there are no other political parties or schools of political opinion in India or

that if such exist they are of no importance. The brief mention made in the preceding chapter of the annual meeting of the Indian Liberal Federation is enough to show that a very influential body of political opinion exists in India which differs on certain important points from the Swarajists. The non-Brahmin organisation in Madras, again, has its definite policy and is a very important and valuable force working to mould the Indian constitution of the future. But the non-Brahman Party is confined to the Madras Presidency, and the Liberals or Moderates, like the Independents, have ceased for the present to exist as an organised party inside the Legislatures. The elections have left the Government confronted with an opposition consisting of the Swaraj-Congress Party and the Nationalist Party made up of the Responsive Co-operators, Hindu Mahasabhaites and others who are in close sympathy at many points with the Swaraj-Congress Party.

The grouping of parties in the Legislative Assembly, the opposition experienced and the support received by the Government, and a large part of the proceedings themselves of the Delhi Session of 1927 may be regarded as resultants of the forces and circumstances described in the earlier part of this chapter. We shall see certain effects produced by the prevailing state of Hindu-Muslim relations, the pronounced uncertainty of behaviour of many members of the Swaraj-Congress Party, notably with regard to such important matters as the Indian Currency Bill and the annual Finance Bill, and the practical identity of the policies and tactics of the Swaraj-Congress and Nationalist Parties in spite of the declared differences of their leaders on such important points as the acceptance of offices under the Government and their attitude towards provincial ministries and dyarchy generally. All other business during the session was overshadowed and dwarfed by the Indian Currency Bill to stabilise the rupee at 1*s.* 6*d.* gold. In this bill the attention of the Government, the opposition, and the public centred more and more strongly as the session proceeded. Even the Steel Protection Bill and the Budget Statement and Finance Bill were regarded as not only subsidiary to this main interest, but even as data to be considered in forming opinion on it. The Bill came up for discussion three weeks before the end of the session when the general excitement over it, particularly after the presentation of the Budget Statement a week earlier, was at fever heat and with its acceptance by the Assembly,

interest in the session practically collapsed. The subject of the bill, as will be readily appreciated, was one of a technical kind, but the agitation against it had been such as to obscure the real character of the issues which it raised and to give to the discussion a political, and, it must be regretfully admitted, also a racial bias. And yet, in spite of this very energetic and powerful propaganda the Legislative Assembly met with many members of all parties in the House undecided in their attitude on the subject. The leaders of the Congress and Nationalist parties, however, decided that their followers should vote against the Bill and this decision they carried into effect. The majority of elected Mohammadan members free to form their own opinions, went with the Government on the Bill.

The Delhi Session of the Legislative Assembly began this year on the 19th January in the New Legislative buildings which had been opened by His Excellency the Viceroy the day before. The Swaraj-Congress Party was present in strength, and on the 21st its leader, Pandit Motilal Nehru opened the first attack on the policy of the Government by moving a motion for the adjournment of the House to discuss the non-attendance of Mr. Satyendra Chandra Mitra, who had been elected to the Legislative Assembly whilst a prisoner under the Bengal Criminal Law Amendment Act. The Pandit in moving the motion said at once that he had no intention of raising the general question of the release of those prisoners who had been imprisoned under the Bengal Ordinance or Regulation III of 1818, but meant to confine himself to the particular question of the refusal to allow a regularly elected member of the Assembly to take his seat. The debate, therefore, was important from the point of view of the development of parliamentary practice in this country. Pandit Motilal Nehru took the line that Mr. Mitra's detention was an encroachment on the privileges of the Legislative Assembly and on the rights of the constituency which had elected him. He pointed out that detention under the Bengal Act or Regulation III had not been made a disqualification for seeking election, and he asked what would have happened if such an incident as this had occurred in England. He referred to the English Law on the subject as given in Halsbury's Laws of England, Volume XXI, Article 1468, which states that " whilst Parliament is sitting and during the time within which the privilege of Parliament extends, no peer or member

of the House of Commons may be imprisoned or restrained without the order or sentence of the House of Lords or the House of Commons as the case may be unless it be for treason or felony or for refusing to give security for peace." The Pandit recognised the great difference in status and powers between the Indian Legislative Assembly and Parliament, but he said that it was the duty of the Legislative Assembly to begin to-day to lay the foundations of conventions which would confer on it privileges similar to those enjoyed by Parliament.

Sir Alexander Muddiman, Home Member, acknowledged the service which Pandit Motilal Nehru had done in bringing forward this motion, because, he said, it was desirable that matters of this sort should be discussed and the position of the House in regard to them made clear. He then showed that the Indian Legislatures had no such complete code of powers, privileges and immunities as legislatures in other parts of the British Empire enjoyed, by virtue, generally, of a provision in their Acts of constitution whereby they were enabled to define their own privileges subject only to the restriction that they should not exceed those for the time being enjoyed by the British House of Commons. This was the considered opinion of a very strong and influential sub-committee which had examined the question some years before and had come to the conclusion that whilst no doubt similar provisions would ultimately be made in the constitution of British India, any such provisions at the present time would be premature. Sir Alexander went on to show that adequate protection had been given to members of the legislatures and that they could also make recommendations for further protections and privileges, and he illustrated his point by referring to an Act which had been passed unanimously by both the Legislative Assembly and the Council of State only a year before. This Act exempted " members of any legislative body constituted under the Government of India Act of 1919 from liability to serve as jurors or assessors, and from arrest and detention in prison under civil process at the time of meeting of such body or of a committee thereof and during the fourteen days before and after such meeting or sitting."

The Home Member then turned to the question of how far a matter like this would have been a breach of the privileges of the House of Commons, and here he referred to the incarceration of

Messrs. Dillon, Parnell and others under the Protection of Prisoners and Property Act, 1881. It had never been suggested, he said, that this was a breach of privilege of the House of Commons, and the Act itself only required that if a member of Parliament were detained under its provisions, a report should be sent to Parliament. He reminded the House that the member in question was already in prison at the time of his election and that therefore his constituents had less cause to complain than if he had been arrested after election.

Following these two leading speakers, a number of members —all except two of them belonging to the Congress or Nationalist parties—gave expression to various points of view, and at times the discussion tended to stray from the specific point of constitutional law which had been raised by Pandit Motilal Nehru into a discussion of the merits of the arrests. In the end the division went against the Government by a majority of 18. The debate which took place later in the session on the subject of the Bengal detenus may be appropriately described in this place in order to show how this very important matter stands up to the present. On February 3rd a member of the Swaraj-Congress Party moved a resolution recommending (*a*) the repeal of Regulation III of 1818 and similar regulations in force in other provinces of India and urging the justice of releasing all political detenus or of bringing them to trial, and (*b*) the grant of an amnesty to all political prisoners now undergoing imprisonment. To this resolution Pandit Motilal Nehru moved an amendment recommending that all detenus under old regulations and under the Bengal Criminal Law Amendment Act of 1925, be either immediately released or else brought to trial. It should be explained that the Bengal Criminal Law Amendment Act replaced the Bengal Ordinance, which, as an ordinance, was only in force for six months. The mover of the original resolution would not believe the arguments of the Government about the impossibility of getting witnesses to appear in these political cases, and he asked for an open trial for all detenus. Pandit Motilal Nehru then moved his amendment. He said that the Government gave three reasons for detaining political prisoners without trial and these were:—

(1) The existence of revolutionary conspiracy in Bengal..

(2) The committing of revolutionary crime, and.

(3) The impossibility of bringing men accused of these crimes to an ordinary trial on account of the terrorism of witnesses, the venality of jurors and so on.

The Pandit then went on to show that the cases quoted by Government spokesmen in favour of the view that a revolutionary conspiracy existed, proved no such thing, and he further affirmed that no case of revolutionary crime later than 1919, the date of the last general amnesty of political prisoners, could be quoted. Referring to His Excellency the Viceroy's remarks on the subject of the Bengal detenus in his inaugural speech on January 24th, the Pandit asked how the conditions laid down therein could be satisfied. He countered the official argument that because no revolutionary crime had occurred since the passing of the Bengal Ordinance, therefore it was proved that the men who were arrested under the ordinance had been responsible for the crimes, by saying that its logic was faulty. He referred to a recent seizure of bonds by the Police in Calcutta and said that this showed that the real offenders were still at large. He turned next to the sufferings of the prisoners in prisons and said that it was absurd to believe that these broken down men could threaten the safety of the British Empire. He asserted that there could be no talk of co-operation between Congressmen and Government until this question of political prisoners had been satisfactorily settled. He asked His Excellency the Viceroy to listen to the appeal of the mover and the Resolution to inaugurate his viceroyalty by a wise act of policy.

Sir Alexander Muddiman spoke next. He proceeded to examine the state of Bengal before and since the issue of the Bengal Ordinance, saying that the policy of general amnesty, which was now being urged upon the Government, had been tried after the conclusion of the Great War when all political prisoners were released in 1920, but that after a temporary lull there had been a recrudescence of revolutionary crime. He then gave an impressive list of crimes beginning with May 1923 and continuing to the promulgation of the Ordinance on the 25th October 1924. It was to meet the serious position revealed by these crimes that the Ordinance was promulgated. Since the Ordinance came into force, revolutionary crime had practically ceased. He referred to a recent discovery of bombs in Calcutta as proof that revolutionary conspiracy had not been killed but only scotched, and

he detailed recent attempts to revive the revolutionary movement by the distribution of leaflets. He quoted the case of a man who had been released under the terms of the general amnesty after the war, but who, after release, had engaged again in revolutionary conspiracy and was at present under trial in a revolutionary dacoity in the United Provinces. He then quoted from a particular revolutionary leaflet, which laid down the plan of revolutionary campaign, and showed that part of this plan had already been put into operation. All this showed that the extraordinary powers conferred upon Government to deal with revolutionary crime were still needed. Since he last addressed the House on this subject, the Home Member continued, there had been one re-assuring development, namely: that the Police had begun to take the initiative again and no longer left it to the revolutionaries. " Surely," Sir Alexander said, " the comparison between the state of affairs before the ordinance and after it showed that a great improvement had taken place." The Home Member next turned to what His Excellency the Viceroy had said about the detenus in his inaugural speech to the Legislative Assembly on January 24th. "..... The guiding principal in this matter " (that is the release of detenus) said His Excellency, " must and can only be the interests of the public safety. Nor is the matter one that rests wholly or mainly in the hands of the Government. Before releases can be sanctioned, Government must be satisfied either that the conspiracy has been so far suppressed that those set at liberty even if they so desired would be unable to revive it in any dangerous form or if the organisation for conspiracy still exists, that those released would no longer wish to employ their freedom to resume their dangerous activities. Government have always made it clear..... that their sole object in keeping any men under restraint is to prevent terrorist outrages and that they are prepared to release them the moment they are satisfied that their release would not defeat this object."

Sir Alexander Muddiman developed this statement saying " There were two conditions which were mentioned in that statement (His Excellency Lord Irwin's speech). The first condition I hold and I think the house generally will hold is not fulfilled. As regards the second condition which raises the question of individual releases the matter must be decided on the past record of the detenu and his present attitude. Government are not demand-

ing, as is sometimes alleged, any humiliating confessions from these detenus. They are more interested in the future than in the past. The declaration that a detenu would on release take no part in revolutionary activities would be an element to be taken into consideration by Government but this on the one hand would not lead to a confession that he had taken part in such activities in the past and on the other hand such a declaration could not and would not be accepted by Government as ground for release without examination of the whole circumstances of the case of the past record of the detenu."

After Sir Alexander Muddiman, a large number of speakers, who represented every section of opinion in the House, joined in the debate. The general tenor of the speeches from the opposition benches was suspicion of the *bonâ fides* of the Government in the whole matter and a refusal to believe that terrorism of witnesses had been in the past or could be now carried to a point at which it became impossible to hold regular trial of men accused of complicity in revolutionary crime. One speaker, who belonged to the Swaraj-Congress Party, went so far as to say that if he had the power he would stir up every young man in India to become a revolutionary conspirator and encourage revolutionary crime in India. Lala Lajpat Rai, a member of the Nationalist Party, said that he would prefer the Government to try to justify its imprisonment of these men without trial on grounds of necessity rather than of law. Mr. T. C. Goswamy (Swaraj-Congress Party) gave an account of an interview which the Bengal members of the Legislative Assembly had had with Lord Lytton on January 16th, when, according to Mr. Goswamy, Lord Lytton had said that the Bengal Government were prepared to release political prisoners if they gave an undertaking not to indulge in revolutionary activities in the future. Mr. Goswamy said that he would like to have some offer made more suitable to the honour of the Indian Government and to India than this. Colonel J. D. Crawford (Elected European) said that the elected European members disliked these restrictions on the liberty of the subject, but they realised that they were sometimes necessary in the common interest.

In winding up the debate Sir Alexander Muddiman emphasised that in matters of law and order there could be no party divisions, for the interests of the Government and those of the whole body of citizens were identical. He disposed of the argument that these

extraordinary measures of protection were the outcome of unreasonable apprehension by pointing to the stern fact that Government officials had been murdered and murdered very frequently as also had many innocent citizens. He then asked the House to give due attention to the conditions already stated, on which the detenus would be released. Finally, Sir Alexander Muddiman said that the Government was entitled to ask what the House thought of a man, who says frankly " I am a revolutionary, I desire to overthrow your Government, I desire to use any means in my power to do that, if I can get a revolver I will shoot the first police officer I come across." Pandit Motilal Nehru's amendment to the original resolution was then put to the vote and was carried by the narrow majority, in the circumstances, of 13 votes.

Since considerable misunderstanding exists in India and elsewhere of the true facts of the detention of persons under such laws as the Bengal Criminal Law Amendment Act and Regulation III of 1818 it is necessary to summarise the position of the Government of India in this matter. Nobody is detained because of his political opinions, however extreme these may be, but only on the ground of complicity in actual revolutionary crime or conspiracy to commit the same. In every case the evidence in the possession of the Government is laid before judicial officers who consider the facts and report whether there is in their opinion lawful and sufficient cause for the order of detention.

On January 24th the Delhi Session of the Legislative Assembly was formally inaugurated by His Excellency Lord Irwin. For some days before the opening of the Assembly, rumours had been current that Indian troops were about to be sent to China and His Excellency's speech confirmed this rumour, explaining, however, that the action of His Majesty's Government in China was purely defensive and that the Indian Government had agreed to co-operate because India was the nearest part of the Empire in which forces were available for immediate despatch. His Excellency then touched on a number of matters of particular interest and mentioned specially the provisional agreement which had been arrived at between the delegations of the Governments of India and the Union of South Africa. But to the majority of his hearers, by far the most interesting part of His Excellency's speech was that in which he discussed the general political position in India. After explaining the dual character of the Governor General of India,

who represents the interests of the Imperial Government in India and also the interests of India to the Imperial Government, he went on to discuss the sincerity of Parliament's attitude towards political reform in this country. His Excellency said that he had not infrequently been told that the British problem in India was psychological and that many of its difficulties would disappear if once India could be convinced that the British people were sincere in their professed intention of giving India responsible self-government. To carry such conviction to those who remained unconvinced was, His Excellency recognised, a very difficult task, but he told the Assembly that the very instincts of the British left them no alternative but to open to India the path in which they had themselves been pioneers and along which they had led and were still leading their people wherever the British flag is flown. Not only this, but the credit of the British people was engaged in carrying out the promises which they had made to India in August 1917. Effect had already been given to these promises by legislation, and practical proof of sincerity had been given by the introduction of wide and far-reaching changes into the structure of Indian Government. Next, replying to those who saw in the Bengal arrests a practical proof of Government's insincerity, His Excellency expressed a very important truth, which is generally overlooked, when he said that these arrests had no direct relation with the question of constitutional advance, for the maintenance of law and order is the inalienable duty of every government however constituted. These men were kept under restraint in order to prevent terrorist outrages and they would be released the moment the Government were satisfied that their release would not defeat this object. Another charge of insincerity was based upon the general method of approach that Parliament had adopted towards the problem of Indian constitutional developments. His Excellency replied to this charge at length. He said that those who were anxious for constitutional advance in India had either to coerce Parliament or to convince it. Parliament, of course, could not be coerced, and it would be gravely disquieted by language which appeared to be inspired by hostility not only towards legitimate British interests but to the British connection. In taking up this attitude Parliament was not inspired by any selfish desire to retain power but by a genuine belief that the circumstances of history had laid upon it the duty of guiding

and assisting India, and Parliament believed that it would be definitely defaulting on these obligations if it surrendered its charge before it was satisfied that it could be safely entrusted to other hands. His Excellency insisted that Parliament would be inclined to examine the practical success or otherwise of its attempt to solve its Indian problem. "When Parliament invites India to co-operate in the working of the Reformed Constitution" continued His Excellency "it does not invite any Indian party, as it was authoritatively stated the other day, to lay aside for the time being its demand for Swaraj; it does not desire that any party or individual should forego the freest and fullest right of criticism and constitutional opposition to any action that Government may take; but it does invite Indian political parties to show whether or not the ultimate structure, which Parliament is seeking to erect, is one suitable to Indian conditions and Indian needs. If it sees any large section of Indian opinion, however vocal in its desire to further the cause of Indian self-government, steadily adhering to the determination to do nothing but obstruct the machinery with which India has been entrusted, Parliament is more likely to see in this evidence that the application of Western constitutional practice to India may be mistaken than proof of the wisdom of immediate surrender to India of all its own responsibility. It is therefore a matter of satisfaction that a considerable part of the political thought of India has not allowed itself to be dissuaded by criticism or opposition from endeavouring to work the new constitution with constructive purpose. Those who so guide their action are in my judgment proving themselves the true friends of Indian constitutional development."

Refusal to play the game because players did not like rules would have little effect on Parliament's mind, His Excellency continued, which would, on the other hand certainly be influenced if it found legislatures exercising responsibilities, albeit limited, in a spirit of service, and tacitly assuming always that their real responsibility was greater than that expressed in the Statute. Parliament itself had spent hundreds of years in extending its powers by custom and precedent. His Excellency pointed to the instance of Canada where differences between Protestants and Catholics were once supposed to constitute an absolute bar to full self-government but where, after a few years, owing to the good sense of the Canadian legislature the British Parliament's very

real powers were silently allowed first to fall into desuetude and then to disappear. Parliament knew too that by this means every one of the Dominions had obtained fully responsible self-government finally leading at the last Imperial Conference to a wide revision of the letter of the constitutional relations previously prevailing between the several governments of the Empire. It was thus a strange distortion of perspective to allow themselves to be unduly influenced by differences on issues which were only incidental to the main issue on which they were agreed. The world was coming painfully to learn through many centuries of trial and sore disappointments that for evolutionary progress friendship might be at once a more noble and more powerful instrument of progress than conflict. He earnestly hoped that events might, till the statutory enquiry, follow such a course as would convince India and Britain that it was possible for them harmoniously to work together for the consummation of their common hope.

Unfortunately, however, the part of the speech in which the Indian press took the most interest was that containing the announcement of the despatch of troops from this country to China. It was announced by some newspapers that Great Britain was planning a war of agression in China in order to thwart the rise of a national government, which, these journals assumed, was dependent on the success of the Southern Chinese armies. That this attitude of the press was due in part to sheer misunderstanding of the Chinese situation was shown by the changed tone of the more responsible newspapers when fuller information from China became available and when it became clear that Britain was doing no more than she was forced to do in defence of her own legitimate interests and of the lives of her nationals. The day after Lord Irwin's speech to the Assembly, however, one of the leaders of the Swaraj-Congress Party, Mr. Srinivasa Aiyanger, gave notice of a motion for the adjournment of the House for the purpose of considering the action of the Government of India in sending Indian troops to China. Sir Alexader Muddiman, the Home Member, objected to the motion because, as he pointed out, it would be impossible for him to discuss the question of sending troops to China without explaining to the House why they were being sent, and this would involve a discussion which could not fail to effect the relations, not only of the Indian Government but of the British Government also, with many other foreign powers. But after

hearing several other members, the President ruled the motion in order and directed that it should be taken up for discussion later in the same day. Before the time for discussion arrived, however, a notice was received from His Excellency the Governor General disallowing the motion under Rule 33 (1) of the Manual of Business and Procedure of the Legislative Assembly, as " affecting the relations of His Majesty's Government or of the Governor General in Council with any foreign state."

This session was to become notable for the number of motions for the adjournment of the House which were moved during its period. The first motion for adjournment, that relating to the case of Mr. S. C. Mitra, had, as we have seen, a definite value, and it was good that the important matter to which it referred should be fully discussed. It is difficult, however, to see what useful purpose would have been served by allowing a debate on the despatch of troops to China to take place. Three other motions for the adjournment of the House were moved at intervals during the session, all of them apparently having the object of censuring the Government and obstructing its business rather than of discussing a matter of urgent public importance as the rules require. On February 2nd a member of the Nationalist Party moved for adjournment in order to discuss the decision of the Government of India not to publish the Report of the Indian Delegation to Fiji. As the report had been written three years earlier, and as the matters to which it referred have been raised in practically every session since then by means of questions put to the Member in charge of Indian Emigration, the Chair ruled that the motion was not in order. Again, on February 8th, Mr. Srinivasa Iyengar moved his second motion for the adjournment of the House in order to discuss " the serious situation created by the decision of the Government in putting off the discussion of the Indian Currency Bill till after the disposal of the Railway Budget and till after the presentation of the General Budget." We have already seen that between the end of the Simla Session and the opening of the present session the Currency Bill had become a theme of absorbing interest even to many who had never studied currency questions and who were unable to form any opinion on the merits of the Bill, and it was clear that it was going to be a real test of strength between the Government and the opposition. It was only natural, therefore, that the opposition should want to bring it to a decision

as soon as possible. The Government, however, had to plan out the business of an already very crowded session and could hardly be taken to task for arranging to introduce the Currency Bill at a time which would best serve the despatch of business and the public interest. Moreover, had the discussion on the Bill taken place early in the session, both the Finance Member and the Member for Commerce, whose folio included Railways, would have found themselves considerably hampered in their exposition of the effects of the one ratio or the other on the railway and general finances, because they could hardly have done their case full justice without revealing budget secrets prematurely. In fact, as the Government spokesmen explained, the discussion at this stage would have been unfair both to the Legislative Assembly and to the Government because the House would have had to discuss the question of the ratio without the knowledge of some very important and relevant facts and figures. The motion, however, was pressed to a division and passed by the House by the narrow majority of 7. The last motion for adjournment was moved by a member of the Swaraj-Congress Party on February 16th for the purpose of discussing certain incidents arising out of the strike at Kharagpur and other places on the Bengal Nagpur Railway line. These incidents, particularly the firing of two rounds by the police at the strikers and the dispersal of the latter by a detachment of the Indian Auxiliary Force in order to prevent the destruction of railway property, and to safeguard the lives of passengers on the railway, have been already described in the first chapter. In opposing the motion, Sir Charles Innes, the Commerce Member, pointed out that the incident referred to had occurred only a few days previously and that admittedly neither the Government nor the opposition were in full possession of the facts. In the end the motion was talked out.

The main interest of the session, however, does not lie in these motions for adjournment, which partook of the character of escaladoes and onfalls rather than of set operations. The first great clash between the Government forces and the solid Swarajist-Congress cum Nationalist opposition took place over the Steel Protection Bill. Readers, who are not familiar with the recent history of the Indian steel industry, may find the following short account of some use to them. Until 1923, the Indian fiscal system, although it gave a certain amount of protection to Indian

industries, did so only in an unscientific and haphazard manner, since the tariff had been devised for purely revenue requirements. In that year the Indian legislature accepted a Government proposal to adopt a policy of discriminating protection and to investigate the claims of particular industries to that protection. One of the first tasks to which the Tariff Board applied itself was the protection of the Iron and Steel Industry in India. After a careful and elaborate investigation extending over several months, the Board published a report which showed that the claims to protection put forward on behalf of this industry were fully justified. Development had recently been hindered by severe competition from abroad coinciding with the beginning of large schemes of expansion. The authorities, with the full support of large sections of organised Indian opinion, took prompt action on this report, and their decisions, which were based almost *verbatim* upon the conclusions of the Tariff Board, were submitted to a special session of the Indian Legislature fixed for May-June 1924. A bill, whose object was to foster the development of the Steel Industry in British India was introduced by the Government and passed by the Assembly and the Council of State. The duties on certain articles manufactured from steel were increased, bounties were granted on heavy steel rails, fish-plates, and railway waggons, manufactured in India. The duties and bounties alike were to be subject to revision after three years. It was anticipated that with the help which this protection would afford, the steel industry would be able, within three years, to attain its full production. It was also hoped that world conditions would probably be more stable after the lapse of the three years period, and that the data on which proposals could safely be based would be more satisfactory. In September 1924, however, it was found that owing to the fall in prices of Continental steel and the maintenance of the rate of exchange in the neighbourhood of 1*s.* 6*d.*, the Indian steel industry was in need of further assistance. The question was referred to the Tariff Board which again reported that the case was well-founded, and suggested enhancements of the import duty. The Government of India decided that further assistance to the Steel Industry could more appropriately take the form of bounties rather than of additional increases in duties, since the former would be of immediate benefit to the industry, and would not raise the prices of steel goods in this country. It was calculated that the utmost

assistance which the local industry might obtain from the further increase in duty recommended by the Tariff Board, was some Rs. 50 lakhs within a year. The Government of India therefore proposed to grant a bounty at the rate of Rs. 20 per ton on 70 per cent. of the weight of steel ingots, suitable for rolling into articles already protected by duties in the previous May, and produced in India from Indian pig iron between 1st October, 1924, and September 30th, 1925. The funds for these bounties were available from the surplus Customs revenue realized from the increased duty imposed in May on the recent large imports of steel. In January 1925, the new proposals were laid before the Legislative Assembly and accepted by that body. Later still, in September 1925, the Legislative Assembly agreed to the grant of bounties subject to a maximum of Rs. 60 lakhs to the steel industry up to the 31st March, 1927. The present bill was introduced in order to give effect to the main recommendations of the Tariff Board, which had recently published its report on the needs of the Indian steel industry after a searching enquiry lasting over some months. Protection was to be by means of increased duties on imports and not by bounties on production since the latter would be far too costly to maintain over a period of seven years. This protection was to have effect for seven years from the 1st of April 1927, but the preamble to the bill made it clear that the period of seven years referred only to the rates of duty and not to the policy of discriminating protection itself. A statutory enquiry in 1933-34 was provided for in order to ascertain what kind and amount of protection might still be necessary. Following the Tariff Board's recommendation, the bill provided for the imposition of differential rates of duties on certain iron and steel articles with a basic duty on articles of British manufacture and an additional duty on those of non-British origin. The bill also contained some minor recommendations, but its chief interest lay in the proposal to differentiate between standard and non-standard, that is, practically, between British and Continental Steel. Clearly, the most contentious part of this bill was the apparent preference given to British steel, and it was around this point that the fight over the bill in the Assembly raged most hotly. Sir Charles Innes, in moving that the bill be referred to a Select Committee, explained clearly the practical disadvantages of certain proposals which had been put forward as rival solutions of a problem, which, the Tariff Board argued, could

only be satisfactorily solved by their scheme of differential duties. He showed that anti-dumping duties, that is, discriminating duties, against countries which were selling steel at dumping prices, would not solve the problem because they would infringe India's most favoured-nation agreements and would disorganize her foreign trade. The idea of bounties had to be discarded because, as the Tariff Board had shown, it would be impossible to give bounties for seven years and this financial objection was decisive. The real contest came between the average weighted system of duties and the system of discriminating duties proposed by the bill. After explaining the average weighted system of duties, Sir Charles Innes showed that it would afford only inadequate protection to the Indian steel industry and would at the same time enhance to an unnecessary extent the price of standard steel as well as of fabricated steel in India. In consequence the system would hinder development work throughout all India—big bridges, public works of all kinds, and the manufacture of machinery—by making it unnecessarily expensive. Finally it failed to provide an adequate remedy against a further fall in the price of fabricated steel. This could only be countered by a corresponding increase in duty to the further disadvantage of the consumer of steel who would have to pay a higher price for that commodity. On the other hand, if continental steel were to rise in price the Government of India could do nothing. Turning then to the system of differential duties, Sir Charles explained that the words 'British Steel' and 'Standard Steel' were, for all practical purposes, synonymous. By levying differential duties on British and continental steel the Indian Government avoided the administrative difficulties resulting from the necessity to test the quality of every consignment of steel coming into India, and, also, owing to the position of India in the British Empire they were infringing no most-favoured nation agreements by discriminating in favour of British steel.

The speakers, who followed Sir Charles Innes, were drawn almost entirely from the opposition and the key-note of the majority of the speeches was suspicion or hostility to the principle of the grant of preference to British steel.

The bill returned from the select committee on February the 7th when Sir Charles Innes presented its report to the Assembly with dissenting notes by six members. The majority of the Committee stated that they were satisfied that the economic interests

of India would be better served by differential rates of duty on British and non-British steel than by the system recommended by the minority, of a uniform rate of duty based on the weighted average price of imported steel. The Select Committee altered the bill in certain particulars, notably by inserting a provision enabling the Governor General in Council to increase but not to reduce the duty chargeable on articles of British manufacture, so as to ensure effective protection, and also to order an enquiry into the Steel Industry earlier than 1934 if he thought it desirable.

The discussion on the Bill, as amended by the Select Committee, was taken up on February the 14th, when a motion was made by a Swarajist member to refer it back to the Select Committee. After two days' debate this motion was defeated and after yet another two days' discussion the Bill was passed as amended by the Select Committee. These later stages of the debate on the Bill produced no new arguments.

The hardest and the most important part of the work of the Indian Legislature begins after the middle of February, for it is then that the Railway Budget and the General Budget come up for presentation and discussion. The Railway Budget is presented first. At present one day is allotted for its general discussion and four days for the discussion of separate demands. Immediately this is over, the Budget and Finance Bill for the year are introduced and the same procedure of general discussion and discussion on demands for grants is followed. The greater importance of the general budget is marked by the allotting of two days for its general discussion and five days for the discussion on demands for grants. Still later the Finance Bill for the year is presented to the Assembly when the consideration of its clauses usually occupies two or three days.

The financial details of the Railway Budget will be more conveniently considered in Chapter V, together with the general finances of India. Briefly, Sir Charles Innes, the Commerce and Railway Member, was able to announce that the final figures for the financial year 1925-26 were better than had been expected but that the probable financial results for 1926-27 were disappointing since there had been an appreciable decrease in the earnings from passenger traffic and a still larger decrease in the returns from goods traffic. The latter was due to dislocation caused by severe floods in Burma

and parts of India, partial failure of the cotton crop in the Punjab, and the late movement of cotton in Bombay and elsewhere. Altogether, instead of an estimated net surplus of 871 lakhs of rupees he now expected a surplus of 594 lakhs. The estimates for 1927-28, Sir Charles informed the House, had been prepared in a cautious spirit but not without a hope that their final state would show the railways free from the misfortunes of the present year. Capital expenditure during the current year, he said, for the first time approximated closely to the estimates, which was a proof that the Railway Board was executing sanctioned works more closely to the scheduled time and also that their estimates were becoming increasingly accurate. He mentioned a new and important innovation in railway construction in this country, namely, the use of private contractors for important railway works. The Railway Board, in fact, hoped shortly to be able to hand over to contracting firms the entire construction of some new lines. Sir Charles next turned to rates and fares and said that these could not be reduced any further because of the financial position disclosed by an earlier part of his budget. The drop in the earnings from passenger traffic showed that it was very likely that the Railway Board had been too optimistic in estimating the effect thereon of the reduction in fares which had been decided upon in the previous budget. The Government, said the Railway Member, might be criticised because traffic had not responded to the stimulus of the reduction in fares, but they had taken this risk on the considered opinion of railway agents that the reduction would pay in the long run. He pointed out to the House that it was the existence of the railway reserve that enabled such experiments as these to be made, experiments which must be carefully watched and given fair trial. If, however, they merely involved a loss in revenue without any compensating increase in traffic, the whole question would have to be reconsidered.

The general discussion on the Railway Budget opened on February 22nd. Among the papers presented to the Legislature in connection with it was a memorandum drawn up by the Financial Commissioner to the Railway Board, in which he explained what effects a lowering of the exchange value of the rupee from 1*s.* 6*d.* to 1*s.* 4*d.* gold would have on Railway Finances. The memorandum showed that any such lowering would in the end reduce the net receipts of the Indian Railways by 6½ crores of rupees per annum, and that the reduction in 1927-28 would be something over

3 crores of rupees. In that year, therefore, there would be a deficit of 150 lakhs from the working of the railways instead of an estimated profit of 162 lakhs. Further, unless rates and fares were raised, it might be found necessary to curtail the present programme of new line construction and the development of existing lines. After what has been said earlier in this chapter about the importance which the controversy over the exchange value of the rupee had assumed, it is not surprising to find that the advocates of the 1*s.* 4*d.* ratio gave a good deal of attention during the general debate on the Railway Budget to this memorandum. The two outstanding champions of the lower ratio, Sir Purshotamdas Thakurdas and Sir Victor Sassoon, devoted the greater part of their speeches to this subject and maintained that the effect of adopting the 1*s.* 4*d.* ratio had been greatly exaggerated and that the increase in railway expenditure would not be more than 1 crore of rupees. Sir Purshotamdas Thakurdas went further and claimed that the Government's currency policy was itself responsible for the decrease in foreign trade and that its effects were reflected in the railway receipts.

Earlier numbers of this annual report have shown something of the extraordinary developments not only in mileage but also in organization, efficiency, and productiveness which have taken place in the Indian Railway System during the past few years. And yet a study of the debates of the Indian Legislature, more particularly of the Legislative Assembly, will show that the Railway Board, that is, the body which directs and controls railway policy in India, is subjected year by year to criticism which grows continually keener. It is safe to say that hardly a single day of any session passes without a number of questions being asked about railway affairs, some of them dealing with matters which ought hardly to go beyond a local station master's office, whilst others raise the most important questions of railway policy. Resolutions and motions on railway matters are also far from rare, and, indeed, in the past, some members have not hesitated even to advance the argument that the Legislative Assembly rather than the Railway Board should administer the Indian railway system. But apart from such extreme manifestations of interest in railway affairs, it is true that critics of the Railway Board abound, particularly in the Legislative Assembly, and it is necessary to ask why the Railway Board should receive treatment which seems hardly to accord with their

achievements. Undoubtedly the vexed question of the indianisation of the railway services is responsible for a good deal of the hostility at present displayed against the railway administration. In Chapter IV, it will be shown what progress has been made in admitting Indians to all branches of all grades of the railway services and here one or two of the conditions which govern the progress of indianisation may be considered. In the first place it should not be forgotten that in their railway system, the Government of India and the Railway Board are responsible for one of the biggest commercial undertakings in the world—a business with a capital of something like £450 millions sterling. The size of India, the insufficiency of arterial roads, and the lack of rival systems of transport, all combine to make her dependent to a singular extent on her railways. Clearly, the railways have got to be efficiently administered, otherwise the economic structure of the country will be seriously damaged and her general revenues heavily embarrassed. Now railway administration is a science whose technique is developed and refined from year to year, and even the most advanced countries of the West are not ashamed to take railway experts from each other. Indianisation of the services is, of course, a political as well as an administrative problem, and it is quite reasonable to argue that as far as some of the Indian services are concerned political arguments may safely be allowed to prevail. But it will be acknowledged that the railway is not one of these services. There, technical qualifications must decide, and although the members of the Indian Legislature chafe against what they regard as the disappointing slowness of the indianisation of the railway services, particularly in their higher ranks, it must be conceded that the Government and the Railway Board are in a strong position when they demand an expert's qualifications for an expert's job. The figures given in Chapter IV show that serious attempts have been made and are being made to tackle the problem of indianising the railway services, and it is to be hoped that criticism based on this cause will steadily disappear as the years pass.

Another fruitful cause of criticism of the Railway Board are the conditions under which third class railway passengers travel in this country. It is alleged that third class carriages are frequently insanitary, usually over-crowded, and generally uncomfortable. Of late years much has been done to meet these complaints, but when it is realised that a third class passenger travels a hundred

miles for Re. 1-12, *i.e.*, about half a crown, it will be generally acknowledged that the possibilities of increased expenditure on comforts for third-class passengers are necessarily limited. Nevertheless the railway authorities are not forgetful of their third class passengers and many improvements both in carriage and station accommodation have been made for them of late years. Other causes of complaint against the Railway Board are alleged ill-treatment of the subordinate staffs by their superiors, and incivility of railway officials towards the travelling public. In regard to these latter complaints, it is enough to say that innumerable questions and answers in the Legislature prove that all genuine charges are investigated and dealt with speedily.

At any rate, the position of the Commerce Member, whose folio includes Railway, is far from a happy one whilst the Railway Budget is under consideration, and this year the attacks made on the railway administration were fierce and sustained. There were 15 demands under the Railway Budget and any member of the Legislative Assembly is entitled to move cuts in any of these grants up to the full extent of the grant, basing his motion on some complaint against the railway administration relevant to that grant. The members availed themselves of their privileges this year to the extent of giving notice of 138 motions for reduction by amounts varying from Re. 1 to Rs. 200 lakhs that being the cut proposed by a Swarajist member in the demand for working expenses. The two most important demands for grants in the Railway Budget are the demands in respect of the "Railway Board" and of "Working Expenses." In accordance with their past custom, the Swaraj-Congress Party decided to move for the total rejection of the demand for the Railway Board and also to vote against the demand for working expenses. The Nationalists joined them in rejecting the Railway Board demand, but decided not to vote against the other. The motion to refuse all but Rs. 100 of the demand for the Railway Board was moved by Mr. Srinivasa Iyengar who said that he wished to draw attention to the unsatisfactory character of the constitution and the position of the Railway Board. The effective discussion, however, centred in Pandit Motilal Nehru's complaint that an alleged excess of waggons over the requirements proved that the railway administration was incompetent and that it would not be improved until the Railway Board was indianised and run by business men. Sir Clement

Hindley, the head of the Railway Board, explained the situation to the House and showed that the surplus of waggons was no more than a reasonable reserve against likely needs, and he illustrated his argument by reference to America where there are on an average over 4,000 locomotives and 200,000 waggons in reserve every year. The number of waggons in reserve in India was based on expert opinion and he asked the House to accept that opinion. Sir Charles Innes resented the attempt to prove the case for indianisation by trying to show that the present Railway Board was inefficient. The Board had transformed disorder on the Indian railways into great efficiency. It was a technical body, and it would be a dereliction of duty on his part to recommend the supersession of senior and experienced railway officials. The opposition, however, remained impervious to these arguments and with the help of one or two other members the Congress Swaraj and Nationalist Parties carried the motion by 59 votes to 52. The discussion on the Railway Board occupied practically the whole of the three days allotted to the demands for grants. The debate then continued till the demands Nos. 2 to 6 were adopted, motions for cuts in respect of some of them being either lost or withdrawn. After that the guillotine fell and the remaining demands passed automatically.

The debate on the Railway Budget ended on Friday, February the 25th and on the next working day, Monday the 28th, the budget for 1927-28 was presented. Popular interest in this budget was probably greater than in any other budget since the inauguration of the Reforms, for excitement over the Currency Bill had by this time reached an extraordinarily high pitch and it was well-known that the budget, by showing the different effects on the national finances of the adoption of the one gold value or the other for the rupee, would bring reality and hard facts into a prolonged and embittered controversy, which certain agencies and a large part of the press had hitherto kept away from these disturbing elements. The House was crowded when Sir Basil Blackett rose to make his statement. The financial details of the general budget like those of the railway budget will be discussed in Chapter V, and here only its broad features and the discussion on the Finance Bill will be examined. For the fourth year in succession the Finance Member was able to announce a surplus. The surplus this year was the very handsome one of 370 lakhs of rupees, but was dependent on the rupee's being maintained at the ratio of 1*s.* 6*d.* gold.

If the lower ratio of 1*s.* 4*d.* were accepted, the figures would have to be altered by 526 lakhs, which would replace the surplus by a deficit of 156 lakhs. Sir Basil Blackett emphasised that any arbitrary reduction in the ratio would bring no permanent benefit of any kind to India, but would inevitably involve her in heavy losses and sacrifices.

The year 1926-27 had been on the whole a good one for trade and business although the cotton trade had remained depressed throughout its course. The year might have been a still more satisfactory one but for certain conditions abroad and in India. The coal strike in England and the civil war in China had restricted business, whilst the fall in the price of cotton, though overdue, had temporarily increased the difficulties of the cotton industry. The latter unfavourable condition, however, would in all probability be ultimately offset by the effect of a larger demand following on cheaper production, which, indeed, had already begun to improve the prospects of the cotton trade. In India uncertainty regarding the instability of exchange militated during the autumn against that feeling of security, which, the Finance Member reminded the House, is the surest foundation for sound business conditions. In the money market the most notable feature of the calendar year 1926 was an exceptional absence of stringency and it was only in the first months of 1927 that the seasonal demands for money, combined with special reasons for hesitancy in the exchange market, led to a rise in the bank rate to 7 per cent. Normally the seasonal demands would have been spread over the whole period from October onwards and their concentration into the first months of the new year led to the bank rate's rising to a figure which had not been touched between May 1925 and February 1927. As it was, the stringency was less marked than in the winters of 1923-24 and 1924-25.

The position revealed by the Ways and Means figures, the Finance Member announced, was extremely gratifying. The Government hoped to finance their entire capital programme amounting to 27 crores of rupees and also that of the provincial governments and to redeem maturing debt with less than 10 crores of new money, which, it was hoped, would be forthcoming on favourable terms. Further, the Government had avoided external borrowing since May 1923 and the Budget for 1927-28 provided for no such borrowing. Certain changes in the tariff were

announced, among them being the abolition of the export duties on hides, estimated to cost 9 lakhs of rupees, and the abolition of the tea export duty at an estimated loss of 50 lakhs, whilst the import duty on motor cars was reduced from 30 to 20 per cent. *ad valorem* and on tyres from 30 to 15 per cent. The import duty of 15 per cent. on rubber seeds and stumps was removed in compliance with a special representation of the Burma Government, thus helping an important adolescent industry. The stamp duty on cheques and on bills of exchange payable on demand was abolished with effect from the 1st July 1927. Lastly the import duty on unmanufactured tobacco was raised from Re. 1 to Rs. 1½ per lb. with an estimated gain to the revenue of 18 lakhs, and the basis of assessment of tea companies to income-tax was altered in a manner which, it was believed, would yield 45 lakhs of revenue. The net result of all these changes would be a loss of 6 lakhs of rupees to the revenue, which would bring down next year's surplus to 364 lakhs of rupees.

It was when he came to deal with this surplus that the Finance Member made one of the most important pronouncements which has been made since the inauguration of the Reformed system of Government in India and one of vast promise for the progress of the Indian provinces and the future of the new constitution in India. For, Sir Basil announced, the surplus would be devoted to the remission of provincial contributions. Readers who are not familiar with Indian conditions will find provincial contributions explained in Chapter V where also an attempt will be made to show the importance to the provinces of this announcement by the Finance Member. The surplus, indeed, fell short of the sum required totally to abolish provincial contributions by 181 lakhs which, Sir Basil Blackett pointed out, represented by a curious coincidence the exact amount of revenue which the Government of India had given up when they had abolished the cotton excise duty the previous year in order to help the Bombay cotton industry. But the Bombay Government, faced with a considerable deficit on the working of 1926-27, and under the shadow of a further estimated deficit in 1927-28 on other than development transactions, had made a very strong appeal for help to the Government of India. Taking all the circumstances into consideration, the Government of India felt convinced that a very special effort ought to be made in 1927-28 on Bombay's behalf. It would not have been expedient

to favour Bombay at the expense of other provinces and after careful consideration the Government of India decided that the best way out of the difficulty would be to use a part of the realised surplus of 1926-27 for the purpose of remitting the whole of the provincial contributions for the year 1927-28. By this means Bombay's appeal would be fully met and she would be able to balance her budget for 1927-28, whilst the rights of other provinces would not be infringed, nor their resentment aroused. Thus, in the year 1927-28 the provinces would be relieved from any liability to pay any contribution to the Central Government. The only drawback to this arrangement was that which involved a diversion of the realised surplus of 1926-27 from its proper application of the reduction or avoidance of debt. Here, however, Sir Basil Blackett could rely on his past reputation which was certainly not that of one who was backward in the matter of debt redemption. But quite apart from this he could plead the importance, which was fully realised by every member of the House, of wiping out the provincial contributions, and point to the fact that a succession of realised surpluses had enabled the Government of India to out-distance their own fixed programme of debt reduction in the past few years.

It must be emphasised clearly that of this total remission of provincial contributions for the year 1927-28 a part is recurring, that is, is permanently remitted, and part is non-recurring or only temporarily remitted, so that unless a recurring surplus is available a year hence, sufficient to enable the Government to make this latter part of the remission permanent, it will be necessary either to restore the temporarily remitted contributions wholly or in part, or else to propose fresh taxation. Sir Basil Blackett referred to this point in the concluding paragraph of his budget speech, when he said:—

> "It is true that final and complete freedom has still to be won and that we are still relying on the Budget of 1928-29 to consolidate the ground now occupied. The year before us must be devoted to a further and final effort to this end." In the concluding passage of his speech he said, "what will 5·45 crores a year transfigured into goods and services, available year by year in the hands of the Provincial Governments, mean in the promotion of human happiness, in the prevention of preventable disease and

ignorance, in the widening of the opportunities for a good life for many crores of the people of India."

The manner in which this Budget was received by a large part of the Indian press is a striking commentary on one aspect of the Indian political situation. It is impossible to doubt that every educated Indian in the land, no matter what his political party, has ever since the year 1920 when the Meston Committee laid down the scale of the contributions to be paid to the Government of India by the provinces, earnestly desired the remission of these contributions and has seen in them a grave obstacle to the progress of the province to which he belonged. This is proved by thousands of public speeches and newspaper articles, and by the debates which have taken place on many occasions in one or the other of the legislative bodies set up by the Reforms. A year ago even the most inveterate opponent of the Indian Government and all their ways could have scarce forborne to cheer such a budget as this, and yet, owing to the state of mind induced by the dispute over the highly technical question of the exchange value of the rupee, one Indian newspaper after another denounced this year's budget as a trap set to catch unwary legislators and force them to vote for the Government's Currency proposals, the remission of provincial contributions with all its benefits being the bait with which the trap was set. Of the immense promise of the budget for the future welfare of the provinces and their people, and of the devoted labour and masterly skill which had made such a budget possible only a few years after those which seemed to show that India was heading for national bankruptcy, hardly any Indian newspaper cared to speak. In fact the whole discussion of this year's budget by the Indian press is one of the curiosities of politics.

The members of the legislature were given three days this year to study and digest the budget between its presentation and discussion. For it was presented on February the 28th and on March the 3rd the general discussion began and continued over the following day. The discussion made it quite clear that the Swaraj-Congress and Nationalist Parties had determined to persevere in their opposition to the Government over the Currency Bill, even though their success should make the remission of provincial contributions impossible for an indefinite number of years. Their prominent spokesmen criticised Government policy in respect of Military Expenditure and the transfer of certain items of expenditure from

votable to non-votable heads, but the gravamen of their charge was the Government's currency policy. This year all other criticisms were definitely secondary in the eyes of the opposition to this.

The debate on the demands for grants began on March the 9th with the demand for the expenses of the Governor General's Executive Council. Mr. Jayakar, leader of the Responsive Co-operators and deputy leader of the Nationalist Party, moved for the refusal of the entire grant as a protest against the present system of government in India and the lack of response made to nationalist demands. A number of speeches were made in support of this motion, but these were all devoted to criticism of the existing system rather than to any suggestions for its improvement or for the form which any enquiry into the present system should take. The Deputy President of the Assembly, Maulvi Mohammad Yaqub, put forward the Mohammadan point of view and, referring to one of the burning communal questions of the day, namely, the playing of music near mosques, he declared that the Muslim religion did not prohibit music in the neighbourhood of mosques provided there was no intentional disturbance of worship. Lala Rajput Rai agreed with Maulvi Mohammad Yaqub's desire for Hindu-Muslim amity and asked the two communities to come to some settlement so that their disagreements should no longer hinder their country's progress towards responsible self-government. Sir Basil Blackett, in a speech remarkable for its reference to the spiritual basis of government, gave the Assembly the sound advice, which the history of all the British Self-Governing Dominions confirms, tacitly to assume more powers than the strict letter of the Statute appeared to allow. Sir Alexander Muddiman developed this line of reasoning in his speech. He told the House that it was quite impossible for the British or any other people to give India Self-Government, for this could be developed only by and within the Indian nation itself. One of the great difficulties in regard to constitutional reform in India, he said, was found in the circumstance that some members of the Legislature apparently desired that a policy should be formulated by His Majesty's Government and that any enquiry which might be held should be merely for the purpose of seeing how this policy could be brought into effect. This was a method without precedent in the dealings of Parliament with India. He then turned to a point which had been made by

LORD IRWIN AND HIS EXECUTIVE COUNCIL.

Seated, left to right—Sir Basil Blackett, K.C.B., H. E. Field Marshal Sir William Birdwood, Commander-in-Chief in India, H. E. the Viceroy, Sir Charles Innes, K.C.S.I., C.I.E., I.C.S., and Khan Bahadur Sir Muhammad Habibulla, K.C.S.I.

Standing—Mr. S. R. Dass, Sir Alexander Muddiman, Kt., C.S.I., C.I.E., and Sir Bhupendra Nath Mitra, K.C.I.E.

a member earlier in the debate who said that in a government like the present Government of India ultimate responsibility rested on the executive which was likely to use the legislature as a shelter for its misdeeds. His remarks in this connection are so important that they deserve to be quoted in full:—

> "Again, Sir, my Honourable friend.....said that the will of the Legislature has to be carried out by the Executive. But that proposition is one which is only true where the constitution is such that the Legislature and the Executive are in harmony; they are in harmony in ordinary Parliamentary institutions owing to the fact that under those constitutions if you turn out my Honourable friend Sir Charles Innes and myself, you have got to sit in our places; the King's government has got to go on..... .....the real answer to the criticisms which are directed at this constitution, and rightly directed at it, namely, those concerned with the existence of residuary powers is justified by the fact that there must be some authority to bring the Executive and the Legislature into conformity. No constitution and no country can be run where the Legislature is in permanent conflict with the Executive; something has got to break somewhere, and that is the justification and the real justification for the existence of these residuary powers. And that brings me on to the further point which is that the more you force on a Government constituted as we are, the exercise of these residuary powers conferred on that Government, the more you weaken yourselves and the more you weaken us. You will come to regard that as a normal course in order to exercise your control over the Government; you will say 'Let us force the exercise of these residuary powers,'..... .....It is quite open to you to do so; but the whole point of that is that you make the exercise of residuary power a thing which you yourselves regard as a very small matter, and what is worse, you deprive the Government which exercises them. That is a most dangerous proposition. My Honourable friend, Colonel Crawford, put it very well. He indicated that in other constitutions progress is possible by the atrophy—I think that was the word he used and if he did not use it it would have been

a very good word to use—by the atrophy of the residuary power."

The division on Mr. Jayakar's motion was taken at the conclusion of Sir Alexander's speech and resulted in a victory for the opposition by 9 votes.

There is no need to follow the later stages of the debates for the demands for grants in any detail. The demands under the heads of Customs, Post and Telegraphs, and Salt took up most of the remaining time devoted to grants, but the interest of the debates on these demands is not very great. The demand for expenditure on the Army Department led to a discussion of general military policy and expenditure, and of the administration of University Training Corps, this latter eliciting one or two interesting speeches. The great majority of the grants, however, came under the guillotine on the expiry of the time allotted and were passed without discussion. The majority of members undoubtedly felt that it was a mistake to devote two days to discussing the demand for the Posts and Telegraphs Department, and thus make it impossible to reach other demands of greater importance.

The final stage of the Budget debate is the consideration of the Finance Bill in which the budget proposals are given statutory form and sanction. Readers of past numbers of this report will remember the attitude of the Swaraj Party towards this annual bill. In 1924 they, with the help of the old Independent Party, refused to take the Bill into consideration. The next year, however, the Independents declined to join them in this action and the Bill was duly passed. In 1926 the Swarajist members of the Assembly had already vacated their seats in the House when the Finance Bill was presented. Therefore, this year their attitude towards the Finance Bill was naturally the cause of a certain amount of speculation and interest. As the time for its presentation to the House drew near, confident rumours appeared that the Swarajists would neither oppose nor support the consideration of the Bill. But, strangely enough, the attitude of the Responsive Co-operators and the Nationalist Party generally became more and more doubtful. The Finance Bill was presented to the House on March 22nd, when Sir Basil Blackett moved "that the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage

under the Indian Post Office Act, 1898, further to amend the Indian Tariff Act, 1894, the Indian Stamp Act, 1899, and the Indian Paper Currency Act, 1923, and to fix rates of income-tax, be taken into consideration." The amendment made by a Swarajist Member to refer the Bill to a Select Committee was negatived without a division. Clause (2) of the Bill contained the provision for the taxation of salt to stand at the figure of Re. 1-4 per maund, and to this clause certain amendments were moved with the effect of reducing the tax to a lower figure. The effective amendment was moved by a Swarajist Member, who wanted to lower the salt tax to exactly half of its present figure, namely, 10 annas per maund. The importance of this amendment will be readily seen when it is realised that its acceptance would mean a loss of revenue to the Government of 312 lakhs of rupees, and further that this loss of revenue would have to be adjusted by reducing the remission of provincial contributions by an equal amount. The acceptance of this amendment, therefore, would destroy at a stroke the greater part of the benefits to the provinces which the Government of India was now in a position to confer after years of skilful and devoted nursing of their finances. It can hardly be argued that the benefits of reducing the tax on salt by $\frac{1}{8}$th of a penny per lb. are equivalent to those which will accrue to the provinces from the remission of provincial contributions, but, although this consideration was plainly present to the House, the amendment was declared carried in a thin Assembly by 50 votes to 48. The division partook rather of the character of a snap vote for the final division on the hotly contested Currency Bill was taken immediately before the debate on the Finance Bill began, and a number of Government supporters, particularly Mohammadan supporters, who were keeping the very exhausting Ramzan Fast in weather which had by this time become distinctly hot, had left the House. In spite, however, of the character of the division and the very important issues involved, the Government of India did not intend to certify the tax, but to leave it to the Council of State to restore it or not as they thought fit. If the Council of State restored it, then the Legislative Assembly would, of course, have another opportunity to consider it. The Council of State disagreed with the Legislative Assembly over the respective values of the remission of provincial contributions and the somewhat shadowy relief which would be afforded by halving the salt tax,

and restored the latter to its original figure. The Bill as amended by the Council of State was then returned to the Assembly and passed by 52 votes to 41.

Another amendment had the object of reducing the cost of post cards but this was rejected. The proposal contained in the Finance Bill to abolish the export duties on hides led to an unexpectedly keen debate, some of the members taking the line that its abolition would endanger the tanning industry of this country. When the division was taken on the proposal, it was found that the Ayes and the Noes had each registered 53 votes, whereupon the President, following the practice adopted in the House of Commons in such cases, gave his casting vote in order to maintain the *status quo* and give the Legislative Assembly another opportunity of considering the matter.

The reduction of the salt tax and the rejection of the proposal to abolish the duty on hides were the only changes made by the Assembly in the Finance Bill, but when the motion was put to the House that the Bill as amended be passed, it encountered somewhat unexpected opposition from a member of the Swaraj-Congress Party who announced that he opposed the motion on the well-known principle of the "No Taxation Without Representation." It is quite certain that he was not acting in this matter as the spokesman of the Swaraj-Congress Party, for none of his party leaders took any share in the debate, nor did any other of their followers. Pandit Madan Mohan Malaviya, one of the leaders of the Nationalist Party, spoke in favour of the motion to reject the Bill, but other members of the Assembly, among them Maulvi Mohammad Yakub, the Deputy President, and Sir Purshotamdas Thakurdas, opposed it and in the end it was passed by the very large majority of 58 in a House of 95.

The Budget was presented to the Legislature on February 28th and the Finance Bill was finally passed on March 28th, the last day of the session, when it returned from the Council of State with the salt tax restored to the original figure of Rs. 1-4 per maund. In between these two dates, however, the Indian Currency Bill had been discussed and passed by both the Legislative Assembly and the Council of State after the former had made one or two trifling changes. On March 7th Sir Basil Blackett moved that "the Bill further to amend the Indian Coinage Act of 1906

and the Indian Paper Currency Act, 1923, for certain purposes, and to lay upon the Governor General in Council certain obligations in regard to the purchase of gold and the sale of gold exchange, be taken into consideration." The Finance Member explained the principle of the Bill, which was that the time had come to stabilise the rupee at a fixed gold value and for that purpose to impose, for the first time in Indian financial history, a statutory liability on the Currency Authority to maintain the rupee at this fixed ratio to gold. Before the Great War there had been no statutory provisions to prevent the rupee from falling below a fixed ratio of gold so that the link between the rupee and gold was imperfect. The present Bill, the Finance Member was careful to explain, was no more than a transitional measure intended to be operative only during the period between its passing and the time when the gold standard and Reserve Bank Act, which will be described in Chapter V, should come into operation. The Indian Government proposed in the Currency Bill to stabilise the rupee at a ratio equivalent to 8·47512 grains of gold, that is, the ratio corresponding to a value of 1*s.* 6*d.* gold per rupee. It was over this proposal that one of the fiercest controversies in recent Indian history had been raging for some months and on it was concentrated the attention not only of every member of the Legislature—whether Government or non-official—but also of a great part of the Indian public. In fact, making an allowance for the differences between the general level of education of the people of the two countries, the great ratio dispute was to India, during the latter half of 1926 and the first three months of 1927, what the great bimetallism controversy was to America in the nineties of last century with Sir Purshotamdas Thakurdas taking Mr. Bryan's part as the wholehearted antagonist of the Government's Currency Policy. Just as Mr. Bryan talked picturesquely of mankind's being crucified on a cross of gold, whilst his followers demanded " the dollar of our daddies " so Sir Purshotamdas Thakurdas, or, at any rate, his chief economic advisers, talked of disease and death to millions from the adoption of the ratio proposed by the Indian Government, and their supporters claimed the " natural " ratio of sixteen pence gold. The speech in which Sir Basil Blackett put his motion to the House had little of the picturesque but was a master-piece of lucid exposition and close reasoning. He showed that any reversion to the ratio proposed by the opponents of the Bill could only be effected by violent

and arbitrary processes which must inevitably result in something like a financial panic, general dislocation of business, and great and utterly undeserved losses to all sorts and conditions of people. His description of the effects which any such process as this would exercise on the real wages of labour was particularly telling. He then discussed in detail the various courses of action which were open to the Government of India at this juncture and showed that they were four in number: In the first place the Government could abstain from regulating exchange, but such action, or rather lack of action would lead to enormous fluctuations and probably to a money panic and in the end to an exchange value of the rupee higher than 1*s.* 6*d.* and possibly as high as 2*s.* Next, the Government might try to stabilise prices round the existing level of wholesale prices, say, with an index number of about 150 or around some different level of prices. This, however, would in all likelihood lead to a controversy over the price level as fierce as the present one over the rupee ratio, and would, undoubtedly, be the prelude to a long period of uncertainty and instability of exchange. The third course would be to stabilise at 1*s.* 4*d.* as advocated by a vocal party in this country. This, however, would cause immense immediate losses to many sections of the Indian people, would give rise to social and labour unrest, and would bring higher prices all round and a generally increased cost of living, in terms of rupees. It would be the cause of deficits in the budget of every government in India, necessitating increased taxation, and, when final equilibrium had been restored after all these troubles, nobody in India would have benefitted permanently. Lastly, the Government might stabilise the rupee at 1*s.* 6*d.* gold as proposed in the measure now before the Legislative Assembly.

Sir Basil then gave the House a powerful exposition of the case for the latter alternative, and here it will be necessary to quote extensively from his own words:—

> "So many arguments", he said, "have been advanced by the advocates of 1*s.* 4*d.* that there is danger that the case for 1*s.* 6*d.* may be insufficiently stated and understood. The controversy that has been going on for the last 6 months and longer has tended to take the form of the setting up of one argument after another by the opponents of 1*s.* 6*d.*, and the demolition of these arguments one after another by the advocates of 1*s.* 6*d.*, in such a

manner that the case for 1*s.* 6*d.* has tended to be forgotten. If my analysis of the position as given above is at all correct, the reason for this tendency is clear. The *de facto* ratio holds the field, has held the field for nearly two years, is working reasonably well, has brought about stability and increased confidence all round, has helped enormously to restore balance and stability to budgets and in a special degree to secure for the agriculturist a fair price for his produce. And the onus of proof that some other ratio ought to be substituted for it rests with the advocates of that other ratio. There is no real onus on the supporters of the *de facto* ratio to prove the case for maintaining it. It is for its opponents to show cause for upsetting it. I think it will be useful, if I proceed to state the case for 1*s.* 6*d.* In a speech which I made in Calcutta in December last before the Indian Chamber of Commerce I summed up the case for 1*s.* 6*d.* in eleven points. None of these have since been seriously challenged. I repeat them here and challenge any economist in the House to find any flaw in them. They are as follows:—

(1) " The silver rupee has no natural value other than the value of the silver bullion which it contains. Any other value than this for the silver rupee must be artificial.

(2) No one ratio for the rupee can possibly be permanently more advantageous for India than another. The question is not, and never can be, whether one particular ratio, say, 1*s.* 6*d.*, is permanently more advantageous for India than some other ratio, say 1*s.* 4*d.* or 2*s.*

(3) All arguments based on the belief that the fixation of one particular ratio is definitely and permanently advantageous or disadvantageous to this or that interest are entirely irrelevant.

(4) A rising rate of exchange tends temporarily to assist imports and discourage exports, but this tendency is often counteracted, in whole or in part, by movements in world prices as happened in the case of India from 1922 to 1925.

(5) A falling rate of exchange has the opposite tendency. But this again is often counteracted by external causes affecting the level of prices.

(6) A fluctuating rate of exchange restricts the volume of trade and commerce and subjects both the producer and the consumer to losses without necessarily profiting the middleman who is often unwillingly made a speculator when he would prefer to do safe business.

(7) A stable exchange is what everybody wants and is to everybody's interests.

(8) In considering the fixing of the ratio at the present time, the first question must be "Is the time ripe for fixing the ratio?" The Currency Commission are unanimous in saying that it is.

(9) The only other relevant question is: "At what ratio can stability of exchange be most easily and quickly secured?" The Commission are unanimous on this point also.

(10) The Commission are unanimous in saying that if prices have adjusted themselves in preponderant degree to the ratio of 1*s.* 6*d.*, it is in the interests of India that the ratio should be fixed at 1*s.* 6*d.*

(11) If it is accepted that the time is ripe for stabilising the rupee, the only point open to argument is whether prices have adjusted themselves in a preponderant degree to the 1*s.* 6*d.* ratio. This is a question of fact to be examined as such."

Then, expanding these points for the benefit of the House, Sir Basil Blackett deprecated all unscientific talk about one ratio or another being the natural ratio and he reminded his hearers that the 1*s.* 4*d.* ratio was maintained between 1899 and 1916 only by careful regulation of the currency. That the 1*s.* 4*d.* ratio was artificial and not natural was demonstrated clearly in 1917 and by the history of the rupee since that date. 1*s.* 4*d.*, in fact, was in no sense the natural ratio of the rupee and it was not the established ratio to-day. It is an interesting fact that on the Fowler Committee of 1899 there was a minority which recommended a lower ratio than 1*s.* 4*d.*, but the majority report recom-

mended the latter because it was the *de facto* ratio. Continuing, the Finance Member argued that no ratio could possibly be permanently more advantageous than another for India. By far the greater part of the case of the opponents of the present Bill was made up of the alleged evil effects of the higher ratio on the agricultural interest and it was assumed that an agriculturist who sold his produce for export got 12½ per cent. more for it with a 1*s.* 4*d.* rupee. In reply to this the Finance Member showed that nothing whatever was gained by the Indian exporter if he received in payment for his produce a larger number of rupees of less value instead of a small number of rupees of greater value if the gold or commodity value of what he received remained unaltered. The House must remember, he said, that under a gold standard all that mattered was the gold value of the money, and most of the fallacies of the Currency League were due to their thinking and talking of the rupee in relation to sterling. Sir Basil added that the smaller number of rupees received under the higher ratio had exactly the same purchasing power as the larger number of rupees which would be received under the lower ratio and therefore all that could happen as a result of lowering the exchange ratio would be that a period of instability would ensue, during which some would suffer losses and others would make profits, and if past experience was any guide, the people who suffered most would be the agriculturists. The decisive question in this controversy was whether prices had in preponderating degree adjusted themselves to the *de facto* ratio of 1*s.* 6*d.* If they had, then the Currency Commission, including Sir Purshotamdas Thakurdas himself, were unanimously in favour of stabilising at 1*s.* 6*d.* He argued that it could not be seriously doubted now that prices had so adjusted themselves. The case for a 1*s.* 4*d.* rupee, which had been so fully presented by Sir Purshotamdas in his minute of dissent was based entirely on the argument that the adjustment of prices to the prevailing ratio of 1*s.* 6*d.* was incomplete and that it was not too late for the Indian Government to adopt the lower ratio. The Finance Member then showed that some of the strongest advocates of the 1*s.* 4*d.* ratio admitted that it was hopeless to try to argue that prices had not adjusted themselves in a preponderant degree to the 1*s.* 6*d.* ratio. "And what", he asked, "does the admission, that prices have adjusted themselves in a preponderant degree, mean? It means that there is no more

reason to-day for disturbing the 1*s.* 6*d.* ratio than there was for disturbing the 1*s.* 4*d.* ratio in, say, 1907. It means that we have come to the end of a long struggle to restore equilibrium to currency and exchange and prices after the war upheaval. It means that the supply of currency has been brought into harmony with the demand at the existing level of prices and internal prices into harmony with each other and with world prices. It means that business men and traders of all kinds can go ahead, once the last remains of uncertainty are removed by placing 1*s.* 6*d.* on the Statute Book, with confidence and hope to expand their activities to launch out into new and promising ventures, without any fear of seeing all their bright hopes upset by the vagaries of exchange, and with a prospect of reasonably stable prices also, knowing, as they do, that strong influences are at work to keep world prices steady at about the present level, they can look forward to normal conditions generally and expanding opportunities in every direction.

Stability of exchange and prices mean more perhaps to the agricultural community than anything else in India. Look what the comparative stability of the last two years has already done. It has removed fears of increases in existing taxation, actually lightened burdens in some cases, for example, cotton excise duty and water-rates in the Punjab; it has begun to reduce Railway fares and freights; it has reduced provincial contributions. Still more, it has enabled the agriculturist to get a fair price for his produce. What is the lesson of the following figures?

In December 1923, exchange stood at 1*s.* 3*d.* gold. The Index Number of prices for cereals was 105 and for pulses 109. These two heads cover more than 50 per cent. of the total agricultural production of India. In December 1926, exchange stood at 1*s.* 6*d.* gold and the Index Number of prices for cereals was 133 and for pulses 159. Why has the value of food grains gone up in spite of the rise in exchange? The answer is, mainly, that in times of fluctuations of exchange and general instability of prices, the agriculturist all too frequently finds that while the prices of the things he buys go up against him, the prices of what he has to sell do not rise in anything like the same proportion. Stability has restored the equilibrium and has brought the agriculturist into his own again. Even in the case of cotton which for a long time stood at a very high level as compared with other commodities and

the Index number for which has recently come more into equilibrium with other commodities, the following figures supplied to me by a firm in Bombay will show how unimportant exchange has been as a factor in prices as compared with other factors.

Date.	Liverpool Futures March delivery.	Fully good Bengal.	Exchange.
21st December 1920 .	10·57*d.*	Rs. 215 per candy of 784 lbs.	10½ gold.
28th February 1921 .	6·80*d.*	Rs. 185 „ „	10$\frac{9}{32}$ gold.
25th January 1927 .	7·18*d.*	Rs. 230 „ „	1/6 gold.

It will be seen that in spite of a rise of nearly 50 per cent. in the gold value of the rupee, the rupee price of cotton so far from falling has risen appreciably "

In conclusion, Sir Basil Blackett summed up in seven questions the whole case against the 1*s.* 4*d.* ratio and he asked, " What possible reason is there why the whole equilibrium which we have now reached after painful years of struggle should be upset simply in order that after several years more of suffering and needless losses we may gradually restore a new equilibrium with exchange at 1*s.* 4*d.* instead of 1*s.* 6*d.* for the permanent benefit of nobody?

After this full presentation of the Government case, a brisk debate took place. It was started by Pandit Madan Mohan Malaviya, who went into the history of Indian currency at some length and contended that the Government proposals were framed for the advantage of British interests. But the most important speeches in opposition to the Bill were delivered by Sir Victor Sassoon and Sir Purshotamdas Thakurdas, the two chief antagonists of the 1*s.* 6*d.* ratio. Sir Victor Sassoon said that after some months of intensive study he still could not understand how the stabilisation of the rupee on the ratio proposed by the Goverment could benefit either the latter in their annual sterling remittances to England or the great bulk of the people of India in the matter of the lower cost of living to the extent alleged by the supporters of the Government proposals. If the benefits of an appreciated rupee were so great to India, Sir Victor said, a similar process would be even

more beneficial to Great Britain in her Dollar exchange, and these benefits could have been easily obtained by Great Britain's merely following the example of India and demonetising her sovereign and raising the sterling value of the bar of gold. He referred to Professor Keyne's criticism of the British Government for their action in bringing up sterling dollar exchange to the pre-war parity. In fact, Sir Victor said, "Every argument that the Honourable the Finance Member can give us in favour of a higher ratio acts twice as forcibly in my opinion as far as the dollar sterling ratio is concerned." He further argued that the cultivator was losing $\frac{2}{3}$ of his former profits and not merely $12\frac{1}{2}$ per cent. on account of the existing rupee ratio.

Sir Purshotamdas Thakurdas criticised the Government of India for its recent contractions of currency and for their delay in bringing forward the Currency Bill, and he insisted that the people of India were justified in their suspicion of the Government's Currency policy. The agriculturists, he said, had suffered very heavily from this policy, and he read extracts to show that the agricultural population of Berar was very badly off. He criticised Sir Basil Blackett's statement of the position regarding wages and the cost of living, and said that if wage earners got higher wages they would do so at the expense of the cultivator. He developed at length his argument that adjustment of prices to the 1*s*. 6*d*. ratio had not taken place and said that if adjustment had taken two years to accomplish in England, a considerably longer time would be necessary for the corresponding process in India whose internal trade had from 10 to 15 times the volume of her international trade. He wanted to know if the Government intended to go on increasing the ratio of the rupee to gold from 1*s*. 6*d*. to 1*s*. 8*d*. and to 2*s*.

Shortly after Sir Purshotamdas Thakurdas had concluded his speech, the President ascertained from the leaders of the different parties that they had no objection to the motion that the Bill be taken into consideration. He therefore formally put the motion which was carried without a division.

Next day, March the 8th, the discussion of the Currency Bill was continued. At the beginning of the proceedings the President announced that the Bill involved two important questions of principle, namely that of the ratio, and that of the establishment

of a gold standard with a gold currency in circulation. He would take the former question first, and accordingly he asked the House to deal with clause 4 of the Currency Bill which raised exclusively the question of the ratio. The question therefore before the House was that clause 4 do stand part of the Bill. The effective amendment to this clause stood in the name of Mr. Jamnadas Mehta, who moved it in a speech which was mostly made up of violent criticism of the personnel of the Currency Commission and the policy of the Government of India and Sir Basil Blackett in particular. Sir Walter Willson argued that prices had generally adjusted themselves to the 1*s.* 6*d.* ratio and pointed out that the members of the different Chambers of Commerce in India were the greatest exporters and importers and were also among the greatest debtors and creditors of the country. With one exception the Chambers of Commerce were in favour of the ratio proposed by the Government, and he ended his speech effectively by reminding the House that the Bengal National Chamber of Commerce which was formerly in favour of the lower ratio had changed its mind and now supported the higher ratio. Mr. Ghanshyamdas Birla, Mr. Jinnah, Mr. Srinivasa Aiyangar, and Mr. Gavin-Jones all spoke in favour of the lower ratio and Sir Purshotamdas Thakurdas replied at length to the eleven points which Sir Basil Blackett had raised in his speech on the previous day. Sir Basil Blackett waived his right to reply and Mr. Jamnadas Mehta's amendment went to a division when it was lost by 68 to 65, the largest division hitherto recorded in the history of the Legislative Assembly. This was the end, for the time being, of the great fight over the rupee ratio. The opposition benches fought other clauses in the Currency Bill, but the Government majority grew steadily with each division and finally the Bill was passed by the Assembly with only one or two minor amendments. The Council of State passed it in the form in which it was sent up to them.

With the Steel Protection, Finance, and Currency Bills we have passed in review what was by far the most important part of the work accomplished by the Legislative Assembly during the Delhi Session of 1927. No account of the latter would be complete, however, unless it included a very interesting and important debate on the subject of civil aviation which took place on the 9th and 21st of February, and March the 1st. It arose out of a supplementary demand for about ten lakhs of rupees to defray expenses

in respect of aviation. Pandit Hirday Nath Kunzru, in moving a token cut in the grant, said that his purpose was merely to get information about the manner in which the development of civil aviation in this country was to take place. He wanted it to be developed by means of private agencies registered in India with rupee capital, and he further desired that opportunity should be given for the training and employment of Indians in aviation. This speech struck the keynote of the debate. The opposition was obviously suspicious of the intentions of the Government, and some members of the Nationalist and Swaraj-Congress Parties intimated their intention of opposing the grant unless they were satisfied on the points raised by the first speaker. A full and frank statement of the Government's intentions by Sir Basil Blackett and Sir Bhupendra Nath Mitra, however, completely satisfied the House and in the end the demand was accepted unanimously amidst enthusiastic applause from all sides. This debate is important not only on account of its subject matter but also because of the thoroughly reasonable and conciliatory attitude of both sides, and because the end of the debate formed unquestionably one of the happiest and friendliest incidents of the whole session.

The session was a crowded one and a good deal of work was accomplished which was secondary in importance only to the three big items of business mentioned at the beginning of the previous paragraph. The very large number of Bills relating to the many varied activities of the Government of India mark the continuance of the steady progress which has been made since the inauguration of the reformed system of government in 1921 in bringing Indian legislation abreast of the needs of a vast and progressive country living under modern conditions. The subjects of these bills ranged from technical improvements in the codes of civil and criminal procedure to the vast interests represented by "The Gold Standard and Reserve Bank of India Bill." Since the latter is to be described later in this report, one or two of the more important resolutions moved during the session will be noticed here. Resolutions in the Indian legislature may, of course, be moved by official as well as by non-official members and are like the motions moved in Parliament. Those moved by private members may be useful as giving expression to the needs and aspirations which spring up in the legislature, and they are also an easy and natural way of hammering out new policy. By their use the representatives of

the people are able to compel the executive constantly to justify their actions and they make an excellent instrument for bringing changes and developments in public opinion on specific subjects to the notice of the Government.

The Resolution recommending the release of the Bengal detenus has already been noticed and the press of other business during the session was such that only three other resolutions were moved—one by the Government and two by private members. The Government's resolution was moved on March the 24th by the Home Member, Sir Alexander Muddiman, and related to the enhancement of the salaries to be paid in the case of future appointments to the two members of His Majesty's Privy Council with Indian experience who sit on the Judicial Committee to hear Indian appeals. This Resolution had been moved originally during the Delhi Session of 1926, but had failed to commend itself to the Assembly. The Home Member gave striking figures showing the vast share of the work of the Judicial Committee of the Privy Council, which was devoted to appeals from India and stressed the necessity for paying reasonable salaries in order to induce lawyers of eminence to accept the posts. The opposition to the resolution took the form of insisting on Government's giving a guarantee to appoint only Indians to the Privy Councils, or else recommending that the functions of the latter be transferred to a Supreme Court in India. Some members objected to the additional expense to the Indian revenues involved in this resolution whilst one member was afraid that the enhancement of the salaries as proposed would lead to a scramble for the posts and the appointment to them of persons of inferior character. However, when the resolution was put to the vote it was accepted by a majority of one.

Of the two non-official resolutions moved in the Legislative Assembly, the one to be described here will be discussed in conjunction with a similar resolution moved during the same session in the Council of State, for both of them illustrate in interesting fashion that spirit of particularism in Indian politics which has survived the centralising influence of both Mogul and British rule. The resolution which was moved in the Assembly, in effect asked the Governor General in Council to devise some scheme for putting the different tracts in which the Oriya language is spoken, and which are at present divided between different provinces, under one administration. In last year's report mention was made of a

question asked in the Legislative Assembly regarding the amalgamation of the Oriya-speaking tracts, and something of its ultimate implications were there shewn. It cannot be denied that the feeling in favour of forming particular linguistic areas not only into separate administrative units but even into self-governing provinces has found expression more than once in recent years. But the conditions which must be observed in any such redrawing of the map of India as is suggested are so immensely important that before the Government of India can even consider whether it should be undertaken in any one area, they must be satisfied that the proposal comes directly from the community concerned, that the great bulk of opinion in the community is solidly behind the proposal and that this opinion is first expressed in the Legislative Council of the Province affected. Pandit Nilakantha Das, who moved the resolution in the Legislative Assembly described with much eloquence and fervour the past glory of his people and asked that they be brought under one administration which, he clearly explained at a later stage in the debate, ought to be a separate Oriya Province, so that they might renew and develop their past achievements. The Home Member, in replying to the debate, pointed out the various administrative and financial difficulties which would prevent the Government from taking action on the resolution even if it were passed, and in the end the resolution was withdrawn by the unanimous leave of the Assembly.

A similar Resolution to the above was moved in the Council of State on February 16th by the Honourable Mr. V. Ramadas Pantulu, who wanted the Telugu-speaking districts of the Madras Presidency to be formed into a separate province with a full measure of responsible government. Mr. Pantulu gave proof of the strength of the sentiment among the Telugu-speaking people in favour of his resolution and he indicated quite clearly his preference for a federal form of self-government in India. An official member from Madras, after pointing out the obvious administrative and financial objections to the proposal, went on to show that the only point of unity in the proposed new province would be its language and that wide differences would exist between the cultural affinities of different classes of its population. He also showed that the Telugu people were very far from suffering by their incorporation in the Madras Presidency, and mentioned in particular that the Telugu country had got two of the most magni-

ficent irrigation schemes in the whole of India and had recently obtained a separate university. In the first two ministries under the Reforms in Madras, the majority of the Ministers were from the Telugu country and the record of the debates in the Madras Council showed that Telugu questions had received full attention. Mr. Haig, the Home Secretary, replying for the Government showed that the framers of the Government of India Act contemplated that the initiative in the matter of changing the boundaries of a province should come from the Provincial Legislative Council and the people immediately concerned, and he doubted whether such a scheme as that proposed in the resolution really would meet with the approval of the Telugu people. He said that the tie of language was not the only condition to be observed in considering such a problem as this and he advised the Council to put it in its proper perspective against its economic factors which are of vital importance. The resolution was lost by 28 votes to 11.

Whilst we are discussing the resolutions moved during the session, it may not be out of place to mention one which was not moved. Two elected members of the Assembly, one belonging to the Swaraj-Congress and the other to the Nationalist Party had given notice of their intention to move a resolution embodying what is known as the 'national demand,' which was raised originally by a resolution in the Legislative Assembly in February, 1924 and repeated in September 1925. Its gist is that steps should be taken immediately to move His Majesty's Government to declare in Parliament that such fundamental changes would be introduced into the constitution and administration of India as would make her Government fully responsible. It became known, however, that the Mohammadans would move an amendment to the national demand asking for certain safeguards for the minority communities, and as this might have led to an embittered debate on communal lines, the resolution containing the demand was not moved.

The Council of State had not to face such a crowded session as the Legislative Assembly and its work was carried on in a less disturbed atmosphere. The storms which raged in the Legislative Assembly over the Currency Bill, the Steel Protection Bill and the Finance Bill, had spent their force by the time they reached the Council. The Currency Bill, for example, was presented on the

24th March and was passed by a substantial majority the next day, whilst the Steel Protection Bill and the Finance Bill each occupied only a part of one sitting. Naturally enough, fewer Bills originated in the Council of State than in the Legislative Assembly, and consequently a greater number of resolutions were moved. Many of these were very interesting, but only the most important can be noticed here. And of these latter, pride of place may fitly be given to a resolution moved by the Honourable Mr. V. Ramadas Pantulu, recommending to the Governor General in Council "to improve the system of censorship and control over cinemas and other public resorts of amusement and to adopt adequate measures to prohibit the exhibition therein of films and other shows, which were calculated to corrupt the morals of the people."

The rise of the cinematograph has presented India like every other country with a cinematograph problem. But in these other countries or, at any rate, in the Western countries, the problem is mainly one of commerce and business, that is, the problem of safeguarding and developing a national film industry which supplies to the people films in harmony with their particular national ideas and traditions and suited to their own taste. India's problem is somewhat different from this, for, although it is just as desirable for her as for any other country to develop her own film industry, she is at present in the position that her people are regularly witnessing films practically every one of which depicts manners, scenes, customs and characters utterly alien from her own. Unfortunately, too, the economics of the cinema business in India cause the cheaper and nastier western films to be shown very extensively, so that here, far more than in Europe and America, the pornographic or trashy film exercises a debasing influence on the morals, particularly of the young. Mr. Pantulu was therefore doing a public service by moving his resolution in the Council. He explained with great force the possibilities of the cinema, both for good and evil, and spoke effectively about the exhibition of undesirable films in India and the great harm that they were causing. The Honourable Mr. H. G. Haig, Home Secretary, in accepting the resolution on behalf of the Government developed some of Mr. Pantulu's arguments and showed that the Government of India was giving close attention to the subject of his resolution.

Another resolution of obvious importance was moved in the Council on February the 9th by the Honourable Mr. Mahmood Suhrawardy in the following terms:—

> "This Council recommends to the Governor General in Council that the proceeds of taxation on motor transport be earmarked in a separate account for Road Development and that a Central Road Development Fund under the Government of India be formed out of which yearly grants be made to each Local Government according to its needs and necessities for the development of quicker transport in rural areas for the benefit of the agriculturist in India."

Mr. Suhrawardy expounded his theme in a very interesting speech in which he showed the necessity for, and the benefits which would result from, the adoption of such a special scheme for road development as he had outlined. The Honourable Sir Arthur Froom, whilst agreeing with the object of the resolution, preferred to word it somewhat differently and he moved an amendment asking the Governor General in Council to appoint a Committee from both Houses of the Central Legislature to examine the desirability of developing the road system of India, the means by which such development could most suitably be financed and to consider the formation of a Central Road Board for the purpose of advising in regard to, and co-ordinating the policy in respect of, road development in India. Sir Charles Innes, Commerce Member, addressed the Council and gave a valuable account of earlier proposals to form a Central Road Board. He said that the Committee which was proposed in that amendment might perform a very useful function by thoroughly exploring this difficult and very important subject. "If," he concluded, "my honourable friends opposite will only understand that we must safeguard our position *vis-a-vis* Local Governments and that we must consider carefully whether they will require to be consulted before we appoint this Committee, then, subject to that reservation Government will be very happy to accept the amendment." Mr. Suhrawardy, the mover of the resolution, agreed to accept the amendment, which was then adopted without a division.

One of the most important resolutions of the session was moved by Sir Sankaran Nair on March the 16th when he asked the Council to recommend to the Governor General in Council that no further

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political progress should be undertaken in India until the system of communal electorates had been abolished. We have already seen that the state of inter-communal relations made it inadvisable to move the " national demand " in the Legislative Assembly, and this resolution of Sir Sankaran Nair's is one more example of the grave complications introduced into India's constitutional and political problem by the prevailing antagonism between her two great communities. In the 1st Chapter of this report we noticed what importance this question of communal electorates assumed towards the end of the year under review, and Sir Sankaran Nair's resolution, moved, as it was, four days before the meeting of Mohammadan representatives in Delhi, at which the proposals we have already noticed were put forth, may possibly have had some influence on the deliberations during that meeting. Sir Sankaran said that in view of the forthcoming enquiry by the Statutory Commission it was desirable that Hindus and Mohammadans should now come to an agreement concerning their relations with each other. He explained his view of the attitude of the Muslim League towards communal electorates and said that he believed that every non-Muslim was entitled to say that this attitude was not conducive to any further political progress. Continuing, he reminded the Council of certain evils which Mr. Montagu and Lord Chelmsford had predicted would follow from the establishment of separate communal electorates and gave his reasons for believing that many of these evils had already come to pass. He did not believe that any good could come from Hindus and Mohammadans continuing to break each other's heads. Friction between the two communities could also be made a pretext to deny India further reforms, whereas if both Hindu and Mohammadan leaders realised the situation, they might possibly have some agreed scheme to place before the Royal Commission when it came to India.

Sir Alexander Muddiman replied to the speech. He pointed out to the Council that if the Government of India accepted Sir Sankaran Nair's resolution, it would involve, at any rate in the opinion of some, the postponement of any further reforms. The House, therefore, would do well to examine the resolution with care and discuss it as fully as possible. Sir Alexander then narrated the history of separate communal electorates clearly and in detail, and showed how continual and pertinacious had been the demand first for the introduction and then for the maintenance

of the system. He then went on to contrast the western and the Indian conceptions of political majorities and minorities, showing how according to the former, majorities tended to change into minorities and these in their turn again into majorities, and he said that when this western conception had become generally accepted in India, then the time would have come when communal electorates could be abolished. Next, Sir Alexander made some very important observations on the subject of the devolution of power to the people under the present constitution and the effect of this in exacerbating communal feelings. "Power has begun to be exercised," he said, "by the representatives of the people; power has begun to be exercised by the representatives of the individual communities concerned, and it is the exercise of those powers by those individual communities that has given the edge to the present tension that exists. Among the educated it is possible—though when I read some of the speeches in the papers I find it difficult to believe that the differences between the educated are in these matters confined to what I might call parliamentary feelings—but I will assume for the purposes of my argument that among the more highly educated it is the struggle for political power that has begun which concerns the differences. The minority community—whichever it may be—is determined to see that it does not get lost in the general struggle. However, when I turn from the educated to the uneducated, it is quite clear that other feelings are at work. The feeling that spreads down spreads down in a different form. It takes this form, the feeling that the other community—to use a colloquial expression—is doing them in the eye. That causes unrest and discontent to your uneducated classes, and when you have, as you have in the Hindu and Muhammadan communities, causes of quarrel at hand where anybody wishes to quarrel, you have not far to seek for the causes of communal strife. To put the blame on separate electorates alone is to take a small issue for the real cause which is that power has been handed over to the representatives of the people and that the exercise of that power has become a source of strife between the two great communities of this country." In concluding his powerful survey of the question, the Home Member said:—"What then is the attitude of Government? It is the attitude which they have persistently followed since 1906. We recognise that these separate electorates have been a difficulty, are a difficulty, and will continue to be a

difficulty in connection with the further advance of this country; but we recognise also that without them there can be no possibility of getting a large body of the community to come in. Therefore, there are two ways of dealing with a position of that kind. One is the way of my Honourable friend. The other is to recognise the difficulty and work the constitution though recognizing that this particular form of electorate will be a handicap. At any rate, had Parliament in 1919 forced a system of joint electorates on India in face of violent opposition, it seems certain that Hindu Mohammedan relations would by now have become more bitterly estranged than they are."

After Sir Alexander had spoken, the Honourable Mr. Mahmood Suhrawardy moved an amendment to the original resolution recommending that in any scheme for the future constitution of India or for the amendment of the Government of India Act (1919) the effective representation of minorities in every province by means of separate electorates should be secured as a fundamental principle.

It will be seen that Mr. Suhrawardy's amendment insists on the retention of the system of separate communal electorates. He agreed with Sir Sankaran Nair that joint electorates were an ideal to be striven for, but he could not agree that the time had come to realise this ideal. The Honourable Mr. V. Ramadas Pantulu advised the House to leave this matter to be settled by non-official leaders of the two communities and after further discussion Mr. Suhrawardy's amendment was put to the Council and negatived; whereupon Sir Sankaran Nair asked for leave to withdraw his resolution.

On February 21st a statement was read in both Houses of the Indian Legislature concerning the settlement happily reached between the Governments of South Africa and India on the subject of the status of Indians domiciled in South Africa. An account of this settlement will be found in Chapter VI of this book. The Legislative Assembly expressed no opinion either approving or disapproving of the settlement, but the Council of State unanimously accepted, amidst scenes of enthusiasm, a resolution moved by Sir Dinshaw Wacha appreciating the results achieved by the Government of India's delegation to South Africa and expressing the hope that the relations now established between the two Gov-

ernments might lead to lasting friendship between the two countries following a satisfactory settlement of any questions between them, which might be outstanding. No less than sixteen other non-officials congratulated Lord Irwin's Government and Sir Mohammad Habib Ullah and his Deputation on the great skill and tact which they had displayed in handling a difficult and delicate situation and in achieving results which reflected credit on all concerned. Mr. Ramadas Pantulu, the leader of the Swarajists in the Council of State, whilst acknowledging the beneficial provisions in the agreement, asked his audience not to forget its dangerous points, particularly its insistence on Western standards of living. The Government of India in his opinion should not have ratified the agreement without consulting the Central Legislature. Sir Mohammad Habib Ullah, leader of the Delegation, after acknowledging the encomiums lavished upon the Delegation and the Government, spoke of the enthusiastic co-operation he had received from his colleagues. The change of heart in South Africa was due to the marvellous work of the Paddison Deputation which was assisted by the restraint exercised in India by the public and the press. At the same time he paid handsome tribute to the wisdom, statesmanship and sagacity of the Ministers in South Africa, particularly that of General Hertzog and Dr. Malan, who were the most important figures throughout the proceedings and to the unobtrusive but most valuable assistance given by Rev. C. F. Andrews.

Some of the main conditions of Indian politics have been sketched in the early part of this chapter and the more important political movements in India since 1921 are sufficiently well known to all who take more than a mere passing interest in India. As in every other country politics in India are part of a continuous chain of cause and effect and the events of any one year can only be understood by reference to what has preceded them. If, therefore, we look at the record of the two Sessions of the Indian Legislature, which have been held during the period passed under review in this report, against the background of the earlier Sessions of the Reformed Legislature and the history of India generally during the same period it seems not unreasonable to claim that the past year has witnessed a further weakening of extremist views in politics and a corresponding strengthening of the hold on public esteem of the representative bodies created by the Act of 1919. Neither

in the Central Legislature nor in the Provincial Legislatures is the position of Government an easy one. Much of the automatic opposition to and the violent criticism of government policy *qua* government policy which marked the first years of the Reforms still exist, and modes of speech and thought which were fashioned in days when very different political conditions prevailed are still to be noticed. But in spite of all this it is hardly open to doubt that the new legislatures have at last established themselves firmly in the popular estimation and that it is increasingly realised that in them, and in them only, can the political future of India be worked out. Those who follow closely the working of the Indian legislative bodies and particularly the Legislative Assembly, cannot help being impressed by the serious dangers which threaten political life in this country from the prevalent tendency to sectionalism which, it is possible, is increasing in strength. Groupings in the legislative bodies are largely unstable and unorganised and change almost from one session to another. The chief reason for this is that the groups or 'parties' have no policy as a rule except the one—namely opposition to the Government. They have no economic, social or, even, any definite political programme which their adherents can adopt and to which they can give their loyalty and sustained effort. Automatic opposition to Government is not a political programme but a state of mind, and there is at present no reason why members of the Indian Legislatures should follow one leader rather than another. Continuity of purpose and development of policy are thus rendered impossible in practice, and therefore the replacement of mere opposition by carefully thought out and practicable programmes of social, economic and political reforms and the formation of stable parties adhering each to its adopted programme, seem to be among the very first steps to be taken to import into Indian politics continuity of endeavour and the strength which comes from the pursuit of definite and practicable objectives.

But the record of the Indian Legislatures during the year reveals something more than these things, something dangerous which may yet check the growth of a healthy political spirit and sound political institutions in this country. Enough has already been said of the disastrous effects of Hindu-Mohammadan antagonism on the social life of India, and here it is only necessary to refer to the examples which have already been given in this chapter of its

effects on Indian politics. If inter-communal antagonism is to become a permanent feature of the Indian Legislatures it is difficult to avoid the conclusion that the public life of India will be poisoned for years to come, and the realisation of the hopes for her future which are held by both Britons and Indians will have to be indefinitely deferred. This is a consummation which all sections of Indian political opinion must work to prevent and in this connection the small European party in the legislatures should be able to give valuable help. The use of parliamentary institutions might be said to be part of their spiritual make-up, and the people of India and their fellow members of the Legislative Bodies are entitled to look to their British friends and colleagues not only for example but for active help. Both example and help have been given in the past and the record of the British members of the Central and Provincial Legislatures is one that does credit to themselves and to the political system which they inherited. There was a time when they were generally regarded as hardly more than an addition to the Government block but this belief is becoming a thing of the past. The work of such men as Sir Campbell Rhodes in the first Assembly, and, later, of Sir Darcy Lindsay, Sir Walter Willson and Colonel Crawford, to mention only a few of the outstanding names in the Legislative Assembly, has shown that the European members can be relied upon to act with independence and decision. The speeches of their leaders show clearly how they identify themselves with the interests of the country of their adoption and it is possible that in helping on the process of making the Indian Legislature into a united legislature of a united nation they will accomplish their most valuable and important work for India. In them both Hindus and Mohammadans can, and do, find impartial friends who are willing and able to contribute something unique and valuable to Indian politics and Indian constitutional development.

CHAPTER III.

The State and the People.

The increasing paternalism of the State is a feature of the life of every civilised country now-a-days and India is no exception to the rule. In this chapter, therefore, an attempt will be made to narrate, necessarily in broad outline because of the complexity of the subject, those activities of the State which are directed towards increasing the moral, physical, and material welfare of the people of India. These activities express themselves not only in industrial and social legislation but in the operations of important government departments, as those of Agriculture and Irrigation, and in the work of a number of medical and technical research bureaux as well as in certain quasi-governmental organisations for the improvement of female and child welfare. For the most part the activities to be described in this chapter will be those of the Government of India, but for the sake of convenience the work of the Irrigation and Forest Departments will be included. These Departments fall under the head of provincial subjects according to the division of functions between the Government of India and the provinces, which was made by the Devolution Rules under the Government of India Act of 1919. Their technical character and the fact that their operations extend over by far the greater part of India and also the circumstance that a certain control over them both is exercised directly by the Government of India make them fit subjects for inclusion in this chapter. The Co-operative movement is more appropriately dealt with in the chapter which treats of the work of the transferred departments of the Provincial Governments because it depends primarily for its vigour and success on the work of provincial agencies, unofficial and official, and because the very diverse conditions which are found in different parts of a vast country like India make impossible any description of a movement whose developments and activities are necessarily largely controlled by the local conditions in which it functions.

Any account which purports to show the moral and material progress of a people within any specified period of time necessarily loses much of its force unless the state of the people at the beginning of the period in question is either known to the reader or can be presented to him. Here, however, we experience a serious drawback in writing about India for it is peculiarly difficult to give

any reasonably succinct description of the general economic condition of the Indian people, partly because of the extraordinarily varied circumstances of the great Indian sub-continent with its heterogeneous social and natural conditions, and also because economic and statistical studies in India are still in their infancy. The paucity of material for a systematic survey of economic conditions in India is revealed in striking fashion in the report submitted in August 1925 by the Economic Enquiry Committee, which was formed under the presidency of Sir M. Visvesvaraya to examine the material at present available for framing an estimate of the economic condition of the various classes of the people of British India. The Committee found that many of the most elementary materials necessary for a satisfactory and adequate description of the economic condition of the Indian people were lacking. There were no statistics which might help in estimating average income, crop production, wages, the cost of living and other cognate subjects. No estimate could be formed of the national wealth of India because practically all the necessary statistics were lacking. In different parts of India a number of economic investigations have been carried out by quasi-official agencies like the Board of Economic Enquiry in the Punjab, or by universities, sometimes with official assistance, and the official Labour Office in Bombay has done much valuable work in connection with industrial and general economic conditions in the Bombay Presidency, but those engaged on these enquiries will be the first to admit that they are only touching the fringe of an economic survey of India. In spite of all this, however, there is not the least doubt that a good deal of material for such survey is available all over the country. The innumerable settlement reports which have been written since the establishment of British Rule in India, and the countless official notes and reports of all kinds must alone be a veritable mine of information. Only, all these require to be collated and examined by competent students of Economics prepared to give years of work to the task. The following pages therefore, do not pretend to be a review of Indian economic conditions, but are written merely to give readers, who know nothing of India at first hand, some sort of a background against which to view the facts and incidents presented in the present and in other chapters of this report.

Since any account of the conditions of the Indian people on the scale contemplated in this report must necessarily be in broad

generalization, individual remarks must not be applied too closely to any particular area or province of India. The circumstances of the landowning agriculturists of the Punjab, Madras, and Bombay, differ in important respects from those of the tenant agriculturists of Bengal, Bihar and Orissa, the Central Provinces, and the United Provinces. The customs and traditions of Mohammadans differ from those of Hindus and statements which are true of conditions in those areas where rainfall is precarious are almost certain to be utterly untrue of the rich canal colonies of the Punjab. And it is not necessary to travel long distances in India in order to see such contrasts as these. In the Western Punjab, for example, in one district there can be found, within a few miles of each other, rich canal villages, hamlets out in the sandy *Thal* where a scanty crop is harvested when the year is good, and cultivators who terrace the arid slopes of the Salt Range and grow their starveling wheat among the stones. If this is true of one district of one province, it will be readily understood that conditions must change greatly between one part of India and another where the climate, soil, physical characteristics, and the people are all different. In short, the task of describing the general condition of the Indian people is about as difficult as that of describing the general condition of the people of Europe.

At present no good purpose would be served by trying to write with any precision on the subject of the standard of living of the Indian working classes, whether industrial or agricultural. There are so many different standards of living in India, and data, even where they are available, are so partial and scanty that any discussion which claimed precision would be misleading. Further such a discussion would inevitably provoke comparisons with the standards of living in western countries, comparisons which would be useless since the conditions and standards of the west cannot be transferred bodily to a milieu so utterly alien as India. If it is said that a skilled workman in a Bombay Cotton textile factory gets a monthly wage of between £3 and £5 sterling, the conclusion is likely to be drawn that he is being very badly sweated. But when it is realised that the monthly rent which he pays for his quarters is probably something between 6 and 10 shillings it will be seen that his wages are more adequate for his support than might at first be imagined. The actual proportion of his pay which the Indian industrial worker spends on food, clothing, housing and

so on are much the same as those spent by his confrères in England and other western countries. In the Madras and Bombay presidencies wage censuses have been taken in certain industries and from these it appears that wages have increased during the past decade, substantially in the Bombay industries and to some extent in Madras, whilst in the latter there has been at any rate some improvement. As we have already seen there was a slight tendency towards a drop in prices during the year but the price level in Bombay has for some time remained steady at about 156 as compared with 1914. Also, the stabilisation of the rupee at 1*s.* 6*d.* has prevented an unjustifiable reduction in real wages.

The housing of industrial labour is another matter on which it would be improper to speak in the absence of sufficient data, but the one roomed tenement appears to be the normal working class accommodation in industrial areas, whilst the higher skilled workers and clerical employees live as a rule in tenements of two and sometimes more rooms. Much of the working class accommodation lacks sufficient ventilation and sanitary and water arrangements in numerous instances leave a great deal to be desired. These conditions are not likely to be improved until the working classes themselves bring pressure to bear upon municipalities and landlords. At present, they acquiesce, to say the least, in their unsatisfactory housing arrangements, and, to give only one illustration of this, anybody who comes into Bombay by train cannot help being painfully impressed by the treatment to which many of the workmen's lodgings which back on to the railway line have been subjected by their tenants. Ventilation is stopped up, filthy, mouldering sheets of sacking are hung over doorways and windows, and removeable insanitary matter is accumulated in rooms and on verandahs. Landlords and the members of municipalities share with most of their fellows the common human predilection for letting sleeping dogs lie, and until those who suffer from unsatisfactory housing undertake to help themselves, the scandals which the working class quarters of some industrial areas undeniably present will continue to exist. But it should not be forgotten that many employees of labour and some municipalities have taken up the housing question in earnest and have provided workmen's dwellings to which no exception can be taken.

India is a predominantly agricultural country with an increasing population and growing industries. The total population of

the country, according to the census of 1921, was 318,942,000 as compared with 315,156,000 in 1911. This population is unevenly distributed between the towns and the rural areas. Only 9·5 per cent. of the population in India are found in towns as compared with 78 per cent. in England and Wales, 51 per cent. in the United States of America, 42·2 per cent. in France, and 45·6 per cent. in Germany. This uneven distribution shows that India is still a mainly agricultural country with over 72 per cent. of her population dependent on agriculture, 11·2 per cent. on industries, 5·6 per cent. on trade and 1·6 per cent. on transport, while the rest of the people depend on the various professions, liberal arts, domestic services, public administration and so on. The next census, which will be taken in 1931, will, no doubt, give us further information about the drift into the towns which is now taking place. Slight as the percentage of town dwellers is to the total population of India, it is one which is on the increase and has grown steadily during the past three decades. Between 1892 and 1925 the number of factories in this country rose from about 650 to somewhere in the neighbourhood of 7,000, and the average daily number of operatives employed in them increased from less than one-third of a million to about a million and a half during the same period. This drift away from the country-side into the towns, is, therefore, a factor of growing importance in the economic life of India and one which will produce reactions on the economic conditions of rural life in this country. There is another way in which the industrialisation of India will affect her agricultural classes. The benefits which are conferred upon the agricultural classes of a country by the rise of populous industrial towns with their effective demand for agricultural products need not be expounded here. In a later chapter we shall see that practically 9/10ths of India's exports are in the form of agricultural produce. But these exports represent less than 10 per cent. of her total production and all the rest is consumed inside her own boundaries. One result, therefore, of the growth of India's industries should be less congestion of population on the land, and bigger and richer internal markets for her agricultural produce.

A vision of the physical India is broadly as follows. South of the mighty mass of the Himalayas lies the wide stretch of the Punjab and the Ganges valley, an immense expanse of plains, rising here and there into low hills and broken ground, stretching for

hundreds of miles in all directions. Supporting vast forests, heavy cultivation, and a teeming population in the east and south-east, the fertility of its soil passes through various gradations into the barrenness of the deserts of its western and south-western parts. South of the great plains is the peninsula proper of India, an ancient geological formation, much broken by mountain ranges and studded with deserts and barren places. This is the part of India which holds by far the greater bulk of her coal and other mineral wealth. The industrial potentialities of areas like the Chhota Nagpur division of Bihar and Orissa, where are to be found some of the richest iron ore deposits in the world, are enormous.

Outside Bombay, Calcutta and Madras there are hardly eight cities with more than a quarter of a million inhabitants throughout the length and breadth of all India. Cities with a population of 100,000 and upwards number thirty. There are about 2,200 towns with populations of between 5,000 and 100,000, whilst the number of villages is probably not far short of three quarters of a million. It is in this vast number of villages—some of them almost of the dimensions of a small market town, others tiny hamlets of half a dozen huts—that the vast majority of the Indian people live. In very many of them conditions of life are of primaeval simplicity. Even excluding villages on the mountainous and forest clad confines of India there are places from which a visit to a doctor would entail a journey of several days, where there is no road more pretentious than a foot-path through the fields, and where no educated person has ever lived. To such places as these new ideas can hardly penetrate, and agricultural processes, social and religious customs, and superstitions that are almost as old as the race still exist in full vigour. Even in the bigger and less remote villages conditions are sometimes not much better, for there is the same lack of contact with progressive ideas, the same lack of educated leadership, the same survival of uneconomic processes and customs. The use of machinery in farming operations is kept down to the very minimum, and all power required is supplied by the work of men and animals, the latter frequently underfed, undersized, and all but useless. There is an immense waste of human time and labour caused by this lack of all but the most primitive and indispensable agricultural implements, a waste which reacts in many more ways than these which are immediately obvious. Again, India supports large numbers of diseased and useless cattle which may not be

slaughtered or otherwise suitably dealt with because of religious objections, and yet the annual cost to India of supporting this vast multitude must be enormous. Still, his cattle are the Indian agriculturist's wealth, and if he loses them, he frequently loses also his economic independence and much of his hope for the future. Later in this chapter we shall see how the cattle problem is being tackled by the Government.

The life of the average Indian agriculturist tends to revolve in a vicious circle. After generations of arrested progress he has frequently lost even the desire for improvement and in any case his poverty makes it impossible for him to grapple with his circumstances. He has not the knowledge and the education to make the very best of his resources, and custom holds him in an iron grip. He will borrow from the money-lender at ruinous interest to perform the various ceremonies demanded by religion or social custom, some of them, like funeral ceremonies, occurring all the oftener by reason of the insanitary condition of his surroundings, the lack of available medical assistance, and, often, his poor stamina. Endemic sicknesses, like malaria and hookworm, the incidence of which could be greatly reduced if only the villagers had the knowledge and the will to apply themselves to the task, weaken him and affect his work in the fields and, consequently, lessen the returns from his labour.

Fortunately, one of the grimmest of the spectres, which formerly dogged the Indian agriculturist's footsteps, has now been laid. Famine is no longer the dread menace which it used to be—the railways, canals, and the greater ubiquity and resources generally of the Indian Government have seen to that. A hundred years ago, in one place famine conditions could prevail, whilst in another, which is now only a few hours' journey away by rail, food might be plentiful and cheap. Thus we read that in 1823 the price of grain at Poona was as high as 64 to 70 shillings a quarter, whilst at Khandesh it was only from 6 to 8 shillings a quarter, but, owing to the incidence of the rainy season and the want of roads, grain could not be taken from Khandesh to Poona. Even the well-marked areas of constant drought are now secure against famine by reason of the extension of well and canal irrigation and facilities for the use of river-bed moisture. But fodder for the cattle will fail in dry seasons, and, since his cattle are the corner-stone of his wealth and welfare, the agriculturist faces ruin, or at any rate grievous

VILLAGE BLACKSMITHS AT WORK.

loss and possibly permanent pecuniary embarrassment if he loses them. Not the least of the many benefits which the Agricultural Department has conferred on India is its work on the production and storage of cattle fodder.

It is impossible to say what is the size of the average holding of the Indian agriculturist. Information is available over small areas as the result of particular enquiries, but the average size of a holding for the whole of a province, let alone for the whole of India, cannot be stated. But it seems certain that a five acre holding is quite a respectable one, and many, of course, are much smaller than this. Indian agriculture, then, is to a very large extent a system of *petite culture* and in general this is not helped out by the existence of cottage industries. The village carpenters, weavers, potters, leather workers and so on, are menials not of the agriculturist class. Where villages are in the neighbourhood of towns or military cantonments their inhabitants can often eke out their resources by going out to work during the slack seasons in the agricultural year, but the number of agriculturists affected in this way is only a small proportion of the whole. Most of them depend on their land and their land alone for their living. It is possible to say only a little of value about agricultural wages, for no more than partial surveys, to be referred to later, have been undertaken, and, all over India, agricultural wages are paid largely in kind. But that great numbers of agricultural labourers and village menials live on the very margin of subsistence is certain.

Even from this brief survey of the state of the great mass of the agricultural population of India, it can be seen how very wide and deep the roots of their poverty are struck, and what great and varied efforts are necessary to remove them. As in every other country, efforts to improve the economic or other conditions of a whole section of a people cannot be made entirely by the State. Some of them, and these are the most valuable and fruitful, can only be made by the people themselves. At this point the student is inevitably reminded of the co-operative movement; for, although this is guided generally by government officials in each province, its activities are largely made up of the work of numbers of private persons and its task begins where that of the State leaves off. The State can bring into existence and guarantee certain conditions of living, but the more effectively it does so and the wider the interest which it takes in the welfare of its subjects, the greater is

the danger that the latter's initiative and other valuable moral qualities will tend to atrophy. The very reverse is true of the co-operative movement, every detail of which is calculated to implant and foster just those qualities of self-help and thrift which are most valuable. The progress of the movement will be described in some detail in a later chapter and here it is only necessary to take note of it as one element in the great process of improvement in the lot of the agricultural population of India which is now going on. Further, the impending developments in the Indian banking system are of immense interest and importance to the co-operative movement. A brief mention of the way in which these developments can affect the movement was made in the first chapter, and in chapter V, which deals with Finance, we shall see that the projected Gold-Standard and Reserve Bank Bill contains certain provisions calculated to fortify and invigorate the vitally important financial side of the movement. But apart from this, the Government of India take a direct and practical interest in the co-operative movement in spite of the fact that the latter is an entirely provincial subject. Clearly it has certain sides in which concerted effort and joint deliberations can be of great value, and it is here that the Government of India can help and has helped. During the year under review, at the request of the Government of Bombay the ninth Conference of the Registrars of Co-operative Societies in India was opened at Bombay in January 1926 by His Excellency Sir Leslie Wilson, the Governor of the Presidency. This was the first All-India Conference held after the reforms—the last one having been held in 1918. Although the subject of Co-operative Societies has now become a Provincial transferred subject under the Government of India Act, 1919, and the movement has not progressed on uniform lines in the various provinces, there are still several important matters of principle, as well as practice, which can be most usefully discussed in an All-India Conference of official experts assisted by non-official co-operators. Such a conference provides an opportunity for interchange of ideas and discussion of problems of considerable importance to the movement as a whole. The development of Land Mortgage Banks, the organization of Consumers' Societies, popularly known as 'Co-operative Stores,' the co-ordination between the Departments of Co-operation, Agriculture, and Industries, and relations with the Imperial Bank of India were some of the important subjects discussed at the Conference.

It was decided to hold the next All-India Conference at Simla in 1928. It is believed that such interchange of ideas and discussions will be of great practical use to the Registrars and their non-official helpers, as well as to the Governments of the various provinces.

The influence of State activities on the welfare of the agricultural population of India is seen most clearly and directly in the work of the Irrigation, Agriculture, and Forest Departments, to which a great part of this chapter will be devoted. The importance of these departments to India's well-being can hardly be exaggerated. The irrigation works in this country are, of course, the most famous in the whole world; the value of the Indian Agricultural Department devoted to research and the spread of agricultural education will be easily realised, but to enable the general reader to understand the part played by the forests of India in her political economy some explanation is necessary. Forests are Agriculture's foster-mother, for they, as is well-known, exercise a marked influence on climate and rainfall. They hold together the fertile surface soil; they store water and dole it out gradually, thus preventing disastrous floods and the formation of ravines; by checking erosion they prevent good soil from being washed into the rivers, and carried away to waste. Forests also directly increase the fertility of the land, being capable of forming rich vegetable mould even from mineral soils. Finally, in India, forests are a valuable asset in times of scarcity or famine, for they yield vast quantities of fodder and provide edible fruits and roots of which the poor readily avail themselves. Advantage of the visit of the Royal Agricultural Commission has been taken by forest officers to lay stress on the immense benefits that forestry can bestow on the peasant by providing him with wood fuel so that cow-dung may be used as manure. Small plantations properly established and cared for should be scattered in suitable places all over the plains of India to provide timber for houses and agricultural purposes as well as for fuel. The neglect of her forests in times past has exposed India to many penalties. The dense forests once situated in the Gangetic plain have now very largely disappeared, the land once occupied by trees being either cultivated or standing as a deserted tract with ever expanding ravines. Every province in India can show examples of the havoc done by deforestation. In the Punjab, on all sides may be seen low barren hills and ravines pouring forth sand to encroach on good arable soil. Manure, particularly cow-

dung, which should enrich the land, is used as fuel, a practice which has far-reaching economic effects. The process of deforestation has probably continued for many centuries, but its serious effects seem to have become for the first time apparent, when, under the stabilised conditions of British rule, the population of India greatly increased. New demands for timber and fuel, and the extension of tillage caused a fierce onslaught upon the forest areas. Fortunately the danger was perceived before it was too late and forest conservation has now been applied systematically for more than half a century. In earlier years the task was beset with great difficulties, for the Forest Department was compelled to discharge the unpopular duty of protecting the heritage of nature from the thoughtlessness of mankind. The close connection of forests with the well-being of the people, and the dependence of Indian agriculturists upon the forests in their vicinity, naturally operate to prevent the broad national aspects of forest conservation from being generally appreciated at their true value. Yet, were the Himalayas deforested there could be no perennial canals on which the life of the Punjab and the United Provinces now so largely depends.

Restrictions upon the grazing of cattle, the felling of trees and the lighting of fires, so necessary for the conservation of India's forest wealth, are frequently resented by those classes of the population whose activities are thereby restrained and from time to time the resulting friction between the Forest Departments and certain sections of the general public has led to agitation of various kinds. In several provinces public opinion is being enlisted in support of the policy of the Forest Department by the constitution of committees, whose task it is to explain and justify the measures recommended by forestry experts. Many of the smaller reserves, which are chiefly valuable for the grazing which they supply to local cattle, have been handed over to village Punchayats for management. It is to be hoped that with the gradual education of public opinion on the subject of forests, the task of the authorities may be simplified; for nothing could be more disastrous to India's natural resources than the sacrifice of the future development of her forests to the immediate interests of the present generation. Even now, no fewer than 12 million animals graze in Government forests at nominal fees varying from 2 annas to Rs. 2 per annum. Moreover, it is estimated that the total value of rights and concessions enjoyed by villagers every year from the administered forests

amounts to nearly one million sterling. Rights so extensive, unless carefully controlled and scientifically regulated, are capable of inflicting severe damage upon the forest resources of the country and Mr. A. Rodger, the Inspector General of Forests and President of the Forest Research Institute at Dehra Dun, has spoken of the "terrible damage caused in India by excessive grazing."

Inspite of the hindrances which it encounters from the unwillingness of the public to co-operate with it and of the drawbacks inseparable from a restricted staff, the Forest Department manages to return an appreciable net profit to the Government of India. In 1924-25 this profit was approximately Rs. 2½ crores, a very gratifying result when it is remembered that in neither the United States nor Canada are the State forests paying concerns. There is no reason to doubt that the Indian forests will become increasingly profitable to the Indian Government as improvements in methods of transportation in silvicultural research and other technical matters are effected and as the work now being carried on in the Forest Research Institute at Dehra Dun is enlarged. The following account of the work of the Institute is taken from an article in the Empire Forestry Journal contributed by Mr. A. Rodger.

Since about the year 1900 it has been realised that the proper development and utilization of the forests of India must depend on expert and scientific guidance which can only be obtained through a properly organised research institute. The first research officer to be appointed was a Forest Zoologist, who began work on insect pests in 1900. In 1906-07 a Silviculturist, an Economist, a Botanist and a Chemist were appointed. The Forest Zoologist started work directly under the Inspector General of Forests, but the control of research finally devolved on the Director of the Forest School at Dehra Dun, who became the President of the Forest Research Institute and College.

It may be noted here that the area of the forests in connection with which the Research Institute works is 160,000,000 acres, indeed more, because Indian States have also large forests in addition to the above area. This area is no less than one quarter of the area of British India, and the gross revenue realised from the forests in the year 1924-25 was Rs. 5·67 crores. In the year 1912-13 the gross revenue was Rs. 3·22 crores. This all but doubling of the gross revenue in 11 years may fairly be ascribed in part to the

work done in forest research in India since 1906. This research is principally economic, but a great deal of work has also been done by the silvicultural and chemical branches of the Research Institute, and the results of this have already been apparent. In the botanical and entomological branches it is naturally much more difficult to make visible and measurable progress within a short period of years.

Silvicultural research has helped largely by developing the scientific side of tree growing and by introducing more correct methods of estimating the correct yield from a forest. In a number of cases the volume of timber annually removed from an area was too small and it has been found that the forests can really yield more timber and can be worked profitably under a shorter rotation. But it must be remembered that by far the greater part of the silvicultural experimental work is not nearly complete and will not be really useful for some years to come. When we know how all our best forests should be worked, the increase in revenue from them is bound to be very large.

Turning to economic research we see that this branch at Dehra Dun has developed more than any other during the last ten years. To give only one example, the important subject of lac propagation has received much attention and many new facts about it have been observed and recorded. The methods of sowing and harvesting lac have been much improved, and the area under lac has been largely extended. This valuable product provides a very large annual revenue to the department and the value of lac exported last year was Rs. 7·55 crores. India provides practically all the shellac in the world. Regarding timber, a great deal of information has been collected about the qualities of the more important timbers available all over the Indian Empire and these have been recorded and published. During the last few years several sections of the economic branch have been established which submit all the important timbers to every conceivable kind of test. In addition, other products are being investigated on a large scale.

The important subject of wood Technology has been the subject of study for some years at the Research Institute and valuable results have been obtained. Timber Testing also has been carried on a large scale at Dehra Dun with the object of establishing the relative strengths of well-known and unknown Indian woods and

also their relative strengths as compared with well-known foreign timbers. In this way a mass of reliable data, constantly growing in value, is being collected with the object of determining the suitability of Indian woods for specific uses, such as for beams, sleepers, bridge parts and other common uses. Nearly a dozen complete electrically fitted testing machines have been installed at Dehra Dun and it is doubtful whether a more complete testing shop exists anywhere. The Expert-in-charge of the Timber Seasoning section has done a great deal of valuable work on the seasoning of timbers by air and by the Tiemann and Sturtevant processes. His task is to show how timber may increase its value by careful and scientific seasoning. Many timbers, even perishable soft woods, can be turned out in excellent form if properly treated. In one case a soft perishable timber, which, untreated, speedily becomes rotted by fungus in a damp climate, has been turned out as an excellent white box-wood. Hand in hand with seasoning goes preservation. Besides the climate, timber has other deadly enemies in India, such as white-ants, fungus and wood-boring beetles and larvae. The task of the preservation expert is to find out how timber can best be treated with creosote, crude earth-oil and other preservatives so that it may be as durable as it is mechanically strong. There are a number of Indian timbers which last for many years in the open in their natural state, such as sal, teak, pyingado and deodar, but there are many which are mechanically strong but do not contain any natural oil or resin which will protect them against destructive agencies. When these are properly treated they can be used in the same way as the others, for example, as railway sleepers. Sleepers have been the subject of many investigations at Dehra Dun, and knowledge of the best methods of treatment has been increased. The institute is also going thoroughly into the question of the minor forest products of India. In addition to lac, which has already been mentioned, the many bamboos, canes, fodder plants, resins, oils, gums, dye-stuffs, drugs and so on, need to be developed. As the President of the Institute says, few forest species can be found which yield nothing of use to man, and as Burma alone has about 3,000 woody plants and bamboos, the extent of the field open to investigation is easily imagined. The Institute can now teach paper pulp manufacturers how to treat the different kinds of bamboos in the best and most economical manner, and when the price of pulp becomes favourable, there should be great wealth in the

enormous bamboo forests of India and Burma. In silviculture some exceptionally valuable work has been done. Transplanting experiments with seedlings under various conditions have been carried out and much research on regeneration, particularly the difficult subject of sal regeneration, has been done. The Entomological branch of the Dehra Dun Institute was the first to show that the large scale control of a forest insect in India could be a profitable operation. A serious investigation into defoliators of teak has been carried out in Madras and 24,000 insects have been bred out. The Chemical branch has of recent years confined its research principally to essential oils in which much work of prime importance has been accomplished. A scheme for the investigation of foreign markets for Indian timbers initiated by the Government of Madras has been sanctioned and the Government of India have appointed Mr. C. S. Martin, late Chief Forest Engineer in Madras, to undertake the work which he had already begun.

Turning now to irrigation we may note that Government irrigation works in India comprise both tanks and canals. The former are generally small affairs which derive their importance from their vast numbers. In Madras alone there are over 35,000 petty irrigation works serving from $2\frac{1}{2}$ to 3 million acres. But the tanks, of course, are entirely over-shadowed by the canals which are the glory of the Indian Irrigation System. Canals are of two kinds, the first of which draw their supplies from perennial rivers, whilst the second depend upon water stored in artificial reservoirs. The former are mainly found in connection with rivers rising in the Himalayas where the snow acts as an inexhaustible source of supply during the dry months of the year. The latter are principally associated with the rivers rising in the Peninsula proper, where no such natural storage is available. Storage works are situated mainly in the Madras Presidency, the Deccan, the Central Provinces, and in Bundelkhand. They range in size from small earthen embankments to enormous dams such as that now under construction in the Madras Presidency, capable of impounding over 90,000 million cubic feet of water. Canals which draw their supplies from perennial rivers may again be divided into perennial and inundation canals. The former are provided with headworks, which enable water to be drawn from a river, irrespective of its natural level, some obstruction being placed in the bed so that the water may reach the height required to secure admission to the

SUKKUR BARRAGE WORKS.

Left bank cofferdam showing canal regulators looking downstream of river and upstream wing wall. 1st June 1927.

canal. Within this class fall the great perennial systems of the Punjab and the United Provinces. Inundation canals have no such means of control, and water only finds its way into them when the natural level of the river reaches the necessary height. The most important inundation canals in India are those of Sind; indeed, upon them depends the whole irrigation of the Province at present; but they also exist in the Punjab, drawing their supplies from the Indus and its tributaries.

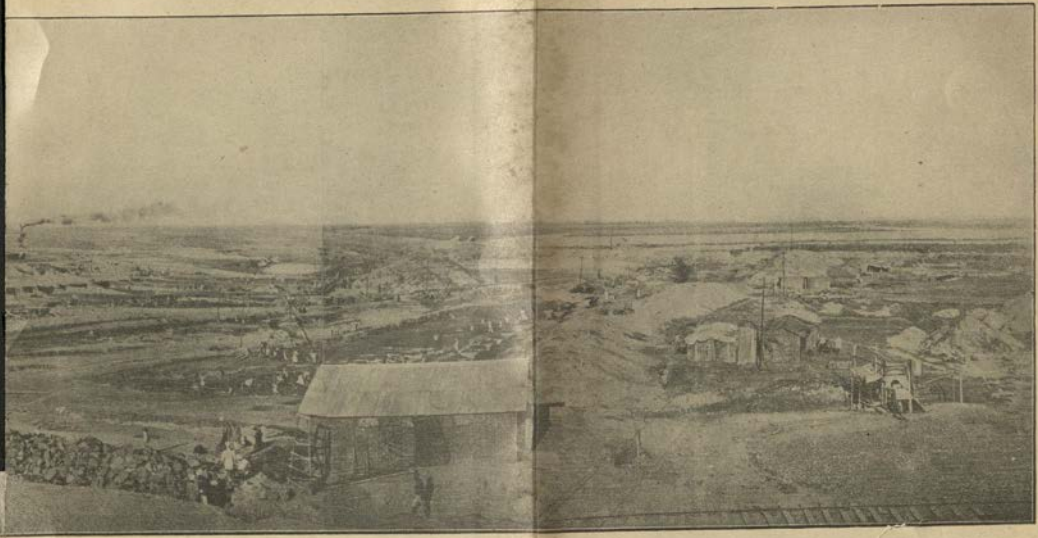
During the year 1925-26 the total area under irrigation, excluding Indian States, amounted to 28·1 million acres. This represented 12·9 per cent. of the entire cropped area of the country, and was slightly below the record area of 28⅓ million acres irrigated in 1922-23. The total length of main and branch canals and distributaries in operation amounted to about 67,000 miles; while the estimated value of the crops supplied with water from Government works was Rs. 145 crores. The area irrigated was largest in the Punjab where 10·4 million acres were irrigated during the year. In addition 679,000 acres were irrigated from channels, which although drawing their supplies from British canals, lie wholly in the Indian States. Next among the Indian Provinces came the Madras Presidency, with an area of 7·4 million acres; followed by Sind with 3·3 million acres, and the United Provinces with 2·8 million acres. The total capital outlay on irrigation and navigation works, including works under construction, amounted at the end of the year 1925-26 to Rs. 99·84 crores. The gross revenue was Rs. 11·46 crores, and the working expenses Rs. 4·06 crores. The net return on capital is therefore 7·41 per cent. In the first year of this century the irrigated area of India was 19¼ million acres. By 1922 it had risen to over 28 million acres and after the various projects now under construction are in full working order the total area under irrigation will, it is estimated, be nearly 40 million acres. When it is mentioned that the total cropped area in India is over 217 million acres, the part played by irrigation in India's welfare needs no further exposition.

The more important of the new projects under construction may now be described. The greatest of these is the Sukkur Barrage in Sind. Its object is to give an assured supply to, and extend the irrigation now provided by the numerous inundation canals in Sind, which draw their water from the Indus. This will be achieved by

the construction of a barrage nearly a mile long between abutments across the Indus, and it will be by far the biggest work of its kind yet built. From above the barrage seven canals, which with their branches will total nearly 1,600 miles—whilst the total length of the distributaries will be about 3,700 miles—will take off, irrigating over 5 million acres. Of this area 2 million comprise existing inundation irrigation to which an assured supply will be given, but the remainder is at present entirely uncultivated. The cost of the scheme will be about £12 millions. Steady progress was made on this scheme during the year 1925-26. A good deal of work was done on contour surveying, designing of canals and so on, and in addition a vast amount of excavation work was accomplished.

Second only in importance to the Sukkur Barrage Scheme is the Sutlej valley project in the Punjab. There are on either bank of the Sutlej, in British territory on the north, and in Bahawalpur territory on the south, a long series of inundation canals, which draw their supply from the river whenever the water is high enough to permit it. These canals are liable to all the drawbacks of irrigation by inundation. There are no weirs at their heads, and, in many cases, no means of controlling the volume of water entering them. Consequently while the water supply is assured during the monsoon months of a normal year, it is liable to serious fluctuations according to the seasonal conditions. In a year of inferior rainfall, little water enters the canals; in a year of heavy rainfall, they are liable to grave damage by floods.

It is to remedy this state of affairs that the Sutlej Valley project has been framed. This will afford the existing canals an assured and controlled supply from April to October; it will enable their scope to be extended so as to embrace the whole low-lying area in the river valley; it will afford perennial irrigation to the uplands on both banks, which are at present entirely unirrigated, and, owing to the low rainfall, waste. The project consists of four weirs, three on the Sutlej, and one on the combined Sutlej and Chenab, with ten main canals taking off from above them. This multiplicity of canals and weirs seems a peculiar feature of the scheme, until it is realised that the project consists of four interconnected systems, each of the first magnitude. The canals are designed to utilise 48,500 cusecs during the hot weather and the monsoon, and 7,000 cusecs during the cold weather. Over 5 million acres will be irrigated, of which



2 million will be in the Punjab, 2·8 million in Bahawalpur, and 0·34 million in Bikanir. The real value of the project will be appreciated from the statement that, as a result of it, $3\frac{3}{4}$ million acres will become available for cultivation.

In March 1925, the Secretary of State sanctioned the Cauvery Reservoir Project in the Madras Presidency, the estimated cost of which amounts to £4 millions. The project has been framed with two main objects in view. The first is to improve the existing fluctuating water supplies for the Cauvery delta irrigation of over a million acres; the second is to extend irrigation to a new area of 301,000 acres, which will, it is estimated, add 150,000 tons of rice to the food supply of the country. The scheme provides for a large dam at Metur on the Cauvery to store over 90,000 million cubic feet of water, and for a canal nearly 88 miles long with a connected distributary system. Good progress was made during the year 1925-26 with the preliminary work of this important project. Buildings for the staffs of all grades have been erected, a road 37 miles long has been metalled and bridged almost throughout, and after extensive survey in the light of the experience gained after the heavy floods of 1924, a new site for the dam has been chosen one mile upstream from the sanctioned site. The programme for the execution of this project has been accelerated, and three more canal divisions have accordingly been constituted.

Among other irrigation projects which deserve notice, we may mention those which are now being carried out in the Deccan. The Bhandardara dam, which is the highest in India, has just been completed, and the Lloyd dam, which is the largest mass of masonry in the world, is nearing completion. Irrigation from the great lakes formed by these dams is rapidly being developed in the valleys below them, the Bhandardara dam supplying the Pravara Canals and the Lloyd dam supplying the large Nira Canals system. Irrigation in the Pravara area has grown very rapidly, and lands on these canals are now covered with valuable sugarcane crops where before hardly any crops could be grown. The Nira Valley Project, consisting of the new Nira Right Bank Canal and extension of the Nira left Bank Canal, will, when completed, command a total culturable area of about 675,000 acres, and this scheme will then be the largest in the Deccan. The completion of the great storage works at Bhandardara and at Bhatgar will allow a considerable extension of the

total irrigable area, and, when fully developed, the present major irrigation schemes in the Deccan will be capable of irrigating over 450,000 acres annually. Almost every other province has irrigation projects in preparation, and those which are likely to be completed within a reasonable time will, it is estimated, add over 6 million acres to the irrigated area, whilst by the time the projects now under construction are in full working order, a total of 40 million acres under irrigation is expected. When allowance is made for the natural expansion of existing schemes, an ultimate area of 50 million acres under irrigation is not improbable.

It should not be forgotten, however, that irrigation in India does not end with her canals. Wells are and always will be a vital factor in Indian irrigation. Here, too, the Government takes an active interest, which is continually increasing. An area of approximately 48 million acres is irrigated in India, a large part of which is commanded by wells. The improvement of their efficiency by subartesian bores and the installation of power pumping plants form one of the principal features of the programme of the engineering sections of the Agricultural Department. During the short period of its existence, the department has been instrumental in increasing the capacity of thousands of existing wells and in digging or sinking an equally large number of new ones. In 1925-26 the number of wells bored by Government was 1,834, of which 1,337 were successful. The number bored in the preceding year was 1,879 of which 1,293 were successful. There is great scope for the constitution of power pumps for water lifts driven by bullocks or man power. Some progress in this direction has been made, but the plant will require to be standardized, and capital, or at least credit, provided before this method of lifting water is adopted on a large scale.

In our discussion of the work of the Indian Forest Department, we saw something of human activity displaying itself on the fringe of great natural processes. With Irrigation, we saw the gift of nature being diverted by human ingenuity to the service of mankind. In studying the operations of the Agricultural Department we see, as it were, the third link in the chain which binds together human welfare and nature. The success of agriculture in India depends as elsewhere on supplies of water in due season. Over a vast and increasing area of India, the water is being supplied by

the canals, and the Indian forests help to guarantee the supplies of water for the canal engineer to use.

The post of Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa, was held, until 2nd March 1926, by Dr. Clouston, C.I.E., who, on being placed on special duty as Liaison Officer between the Royal Commission on Agriculture and the Government of India and the local Governments, handed over to Dr. W. H. Harrison. Since October 1926, Dr. Clouston has been carrying on the duties of Liaison Officer in addition to those of Agricultural Adviser.

In view of the provincialisation of the Indian Agricultural Service recruitment to it has ceased and the provinces have been left to constitute their own superior Provincial Agricultural Services. Indians were appointed to the three specialist posts of Agronomist, Physical Chemist, and Second Cane-breeding Officer in the Imperial Department of Agriculture during the year under review.

The eighth General Assembly of the International Institute of Agriculture was held at Rome in April, 1926, and the Government of India as an adhering State sent two representatives to it. The resolutions passed at the Assembly have been considered and action taken where necessary.

His Majesty the King-Emperor appointed during the year a Royal Commission " to examine and report on the present conditions of Agriculture and rural economy in British India and to make recommendations for the improvement of agriculture and the promotion of the welfare and prosperity of the rural population. The commission is to investigate in particular:—

(*a*) the measures now being taken for the promotion of agricultural and veterinary research, experiment, demonstration and education, for the compilation of agricultural statistics, for the introduction of new and better crops and for improvement in agricultural practice, dairy farming and the breeding of stock;

(*b*) the existing methods of transport and marketing of agricultural produce and stock;

(*c*) the methods by which agricultural operations are financed and credit afforded to agriculturists;

(*d*) the main factors affecting rural prosperity and the welfare of the agricultural population;

and to make recommendations.

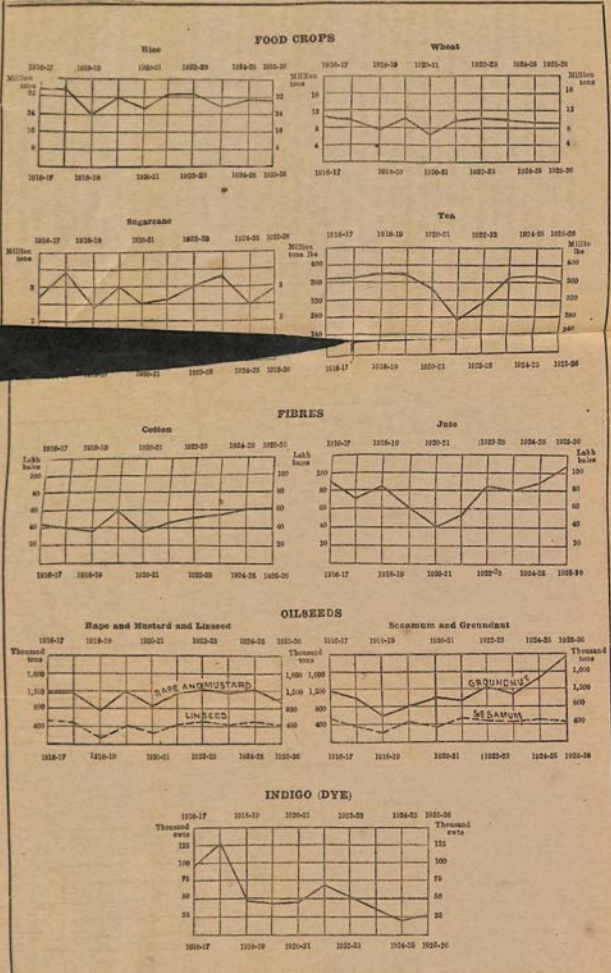
It will not be within the scope of the Commission's duties to make recommendations regarding the existing systems of landownership and tenancy or of the assessment of land revenue and irrigation charges, or the existing division of functions between the Government of India and the local Governments. But the Commission shall be at liberty to suggest means whereby the activities of the Government of India may best be co-ordinated and to indicate directions in which the Government of India may usefully supplement the activities of local Governments."

The Commission, since first meeting in Simla in October 1926, have been touring the provinces with a view to acquiring first hand information on the agricultural problems of India.

The need for agricultural colleges to train the future personnel of the department as well as to provide education in scientific agriculture for those engaged or intending to be engaged in farming was recognised as soon as the Agricultural Department was reconstituted in 1905. In addition to the full degree or diploma course, these colleges provide courses of one or two years in modern agricultural methods leading up to a certificate in agriculture. There are now six such colleges at Poona, Coimbatore, Lyallpur, Nagpur, Cawnpore and Mandalay, of which the first four are affiliated to local universities. One hundred and twenty five trained students came out from these institutions during the year under report either with a degree, a diploma, or a certificate. There has been this year an appreciable increase in the number of candidates seeking admission to provincial colleges. The Agricultural Research Institute at Pusa and the Imperial Institute of Animal Husbandry and Dairying at Bangalore provide post-graduate courses qualifying for the highest appointments in the Agricultural Services. There were 10 and 3 post-graduates, respectively, in residence at these institutions. The Bangalore Institute also conducts a two-year practical course for would-be dairy managers. Nine students passed out during the year and were given the Indian Dairy Diploma, and 23 out of 69 applicants were admitted. Since 1917, the department has been experimenting with various types of agricultural schools

DIAGRAM.

Yield of certain principal Crops from 1916-17 to 1925-26.



suitable for boys who have received a general education up to the age of about 13. In some provinces vocational schools have been opened. There are six such schools in Bombay which initiated the experiment, two in Madras, and one each in Bengal, the United Provinces and the Central Provinces. A more recent attempt at agricultural education is the introduction of agriculture as an optional subject in the ordinary vernacular or anglo-vernacular middle schools of the Education Department, the Agricultural Department only assisting in the way of training school teachers. No attempt is made in these schools to give a vocational training; the object in view is to give to the boys such an outlook on rural life as will induce them to return to the land with minds better prepared to receive agricultural training as a result of their interest in agriculture and its possibilities having been aroused. First introduced in the Punjab, where over 3,000 boys are attending agricultural classes, this successful experiment in adapting education in rural areas to rural needs, is being adopted in other provinces.

Turning now to economic work on crops we may begin with rice which, occupying as it does on an average 35 per cent. of the total cultivated area is pre-eminently the most important crop in India. Nearly 91 per cent. of the produce of this huge area is consumed in the country in a normal year; the remaining 9 per cent. is exported abroad. The work of the Agricultural Department aims mainly at increasing the yield per acre and thus augmenting the local food supply. Some of the varieties isolated are superior in yielding powers; others are capable of giving good yields in poor land liable to drought. During 1925-26, the area under improved varieties was approximately 654,300 out of 82,078,000 acres, and the average increase in yield per acre is estimated to be 200-250 lbs. In Burma which contributes three-fourths of the rice exported from India the milling qualities of the selected varieties have proved very satisfactory. To quote from the speech of the Chairman of the Rangoon Chamber of Commerce, " Any one connected with the paddy trade now knows that the cultivator expects and gets a special premium for these special grains, and that it is well worth the extra cost the millers pay, the miller knows."

In area, wheat stands next to rice. It is the staple food of the people of Upper India, and is grown on about 10 per cent. of the total cultivated area of the country. One of the most successful

pieces of work of the Agricultural Department in India is the isolation of heavy yielding, rust-resistant wheats of good milling and baking qualities, similar in class to Manitoba wheats and suitable both for home consumption and export trade. The value of these wheats has been well recognised by the cultivators, and the area grown now runs into the third million. It is about 12 per cent. of the total area under the crop in the two premier wheat-growing provinces, *viz.*, the Punjab and United Provinces. The variety Punjab 8A is gradually coming into prominence in the province of its origin, but there are no better known Indian varieties of any crop either in this country or abroad than Pusa 4 and Pusa 12 wheats evolved by the Howards at Pusa. They are to be found in every wheat tract in India; their seed is in demand from Australia, South Africa, Kenya, Egypt, Iraq, Algeria, and Japan. Among the new races evolved at Pusa, the bearded Pusa 52 has repeated, in large-scale tests, its performance in preliminary trials; it is particularly welcomed in tracts where birds damage the ripening crop. Another new variety of promise is Pusa 60·5 which has given yields up to 22 cwt. per acre.

Sugar is the only agricultural product in which the balance of trade is decidedly against India. The necessity for importing large quantities of refined sugar arises on account of the poor yields of our indigeneous canes. The quantity of refined sugar imported last year exceeded 700,000 tons though the area cropped with cane in India was in the neighbourhood of $2\frac{3}{4}$ million acres. A slight increase in the yield per acre would enable India to produce all the sugar required for local consumption. The hope of effecting such an improvement in outturn has received a remarkable stimulus from the work of the Imperial Sugarcane Station at Coimbatore which has made available new canes of high cropping power. The cane-grower can, by planting these hybrid canes raise his acreage yield by from 50 to 100 per cent. Their introduction on a large scale in North Bihar and the eastern portion of the United Provinces, where are to be found most of the factories manufacturing white sugar direct from cane has greatly helped the industry in providing larger quantities of raw material with a sucrose content. During the year under review, the factories in these two provinces manufactured 1,247,870 maunds of sugar, as against 673,683 maunds in the previous year. In British India, the area under improved varieties of

canes distributed by the Agricultural Department, is reckoned to be about 172,000 acres.

The interests of Indian cotton growers and Indian spinners alike demand that a larger portion of the cotton produced should be of a type generally acceptable to the cotton spinners of the world. The Agricultural Department's work on this crop therefore aims at increasing the yield per acre and at improving the quality of the lint. A great measure of success has been achieved in both directions, and the improved strains introduced were sown during 1925-26 on over three million acres which represent nearly 12 per cent. of the total area under the crop in the country. Over three-fourths of this area lies in the three provinces of the Punjab, Bombay, and Madras where India's longer stapled varieties are mainly grown. The marketing of the produce of these superior varieties has been facilitated by the introduction of the " Liverpool Empire and Miscellaneous futures " contract against which Indian cottons equal to ' Strict Low Middling American ' in staple, grade and value are tenderable in common with other Empire cottons.

The application of the Cotton Transport Act to parts of the Bombay Presidency has led to a marked improvement in the purity and quality of Surat, Kumpta and Dharwar cottons, and it is proposed to extend it to the Broach cotton area north of the Narbada. The three zones of the Madras Presidency where the Act has been applied are the Northerns and Westerns, Cambodia and Tinnevelly. The cotton Ginning and Pressing Factories Act, which is considered as a necessary corollary of the Transport Act, came into force during the year, and several instances have already come to notice which illustrate its particular value in dealing with abuses.

The facilities offered by the Technological Laboratory of the Indian Central Cotton Committee for ascertaining the value of new cotton by spinning tests with 12 lb. samples are much appreciated by cotton-breeders working in the provinces. The Institute of Plant Industry at Indore is steadily developing the programme of work put forward by the Director when the provision of this central station for agricultural research on cotton was decided upon. The Committee are also financing special research schemes in the provinces which promise to give valuable information on such phenomena as the shedding of bolls and buds and the wilting of cotton plants, and the control of spotted and pink boll-worms which do

much damage to the cotton crop. Three new cotton research schemes have been sanctioned, namely, investigations into the physiology of the cotton plant to be carried out in Madras and Sind, and a cotton-breeding scheme for Khandesh.

The experimental work undertaken by the Indian Central Cotton Committee has resulted in a working scheme for the fumigation of all imported American cotton by means of hydrocyanic acid gas as a precaution against the importation of the dreaded pest the American boll weevil.

Although Jute occupies a comparatively small area, it contributes 26 per cent. of the export trade of the country. This is due to the fact that the world's supply of this essential requisite of international commerce is drawn almost entirely from North East India. The high prices ruling for raw and manufactured jute indicate that the supplies fall short of the world's needs. Jute cultivation should, therefore, continue to be a profitable industry, more especially in tracts where the growers have been provided with heavy-yielding, disease-resistant strains of the two species cultivated. In Bengal, where lies 85 per cent. of the total area under jute, 332,722 acres under departmental varieties represent 13 per cent. of the acreage. Now that the Indian Jute Mills Association and the London Jute Association have come forward to subsidize the distribution of seed of improved strains, a large increase in the area under these strains is only a question of time. In parts of the United Provinces, where jute cultivation has been introduced by the department, the organization of marketing facilities has given an impetus to its spread.

The indigeneous varieties of tobacco grown on nearly a million acres in this country give a product which is good enough for the *hooka* and the *biri*, but which is not suitable for the manufacture of cigarettes. India requires a tobacco of the colour, flavour and texture of that which is commonly called Virginian. Trials with some well-known American tobaccos at Pusa have shown that these exotics can be grown successfully in this country, and that it may be possible to produce a bright cigarette tobacco with the curing methods devised.

Oil seeds are grown on nearly 8 per cent. of the total cultivated area, and together with cotton seed they contribute 8 per cent. of

the export trade. Of these, groundnut has come into much prominence in recent years. It is a good rotation crop and thrives well on light sandy soil. The Department of Agriculture has, by introducing superior varieties, helped to make the cultivation of this crop more popular. The area under groundnut is, in consequence, increasing. In the year under report the area was nearly 4 million acres as against three millions in the previous year and 1½ millions seven years ago.

Owing to the ever-increasing pressure on the land in India, large areas formerly available for grazing have been brought under the plough and are being made to produce food for the growing population. In the struggle for existence the requirements of the cattle population have been badly neglected. The provision of a good quality fodder in sufficient quantity has, therefore, assumed paramount importance in the agricultural economy of the country, and the Agricultural Department has of late years given much attention to the question of both growing and storing fodders. Luscious fodders unknown in India 20 years ago, such as berseem (Egyptian clover) have been introduced and methods of storing green fodders in silo pits adopted, but only on a very small scale. The absence of irrigation facilities and the smallness of holdings may not, in certain tracts, permit of an increase in the area under fodder crops; but the preparation and use of silage to leaven the straw diet could, it is believed, be practised with advantage in every province in India. It has been definitely proved on Government farms that palatable ensilage can be made at little cost in pit silos from coarse grasses, weeds, and other herbage which are everywhere available in considerable quantities towards the end of the rains and are not put to any useful use at present. Feeding tests at Bangalore have conclusively shown that while cattle eat only enough spear grass hay to maintain themselves, they readily consume much larger quantities of the more palatable silage made from this inferior grass, and profit thereby.

In addition to economic work on crop improvement, a number of investigations bearing on land improvement and the manufacture of agricultural products are carried out by the Agricultural Department. During the year under review, some important results have been obtained regarding the movement of nitrates in the soil, the utilization of waste products for the preparation of organic

manure, the storage of farmyard manure, the fixation of nitrogen in the soil, the manufacture of hard, light-coloured *gur*, etc.

It has been conclusively established at various centres that " artificial " farmyard manure of high manurial value can be prepared very cheaply from waste products such as straw, groundnut husk, sugarcane pith and leaves, weeds, etc. Expensive " starters " recommended in other foreign countries are not necessary as a little cattle urine is quite a useful " starter." At Pusa, *gur* of a quality which neither absorbs moisture nor turns black in course of time, has been obtained by adding to the juice a slight excess of lime followed subsequently by a quantity of prosphoric acid which was barely sufficient to precipitate the excess lime.

It appears from the report of the second census of livestock held in 1924-25, that there are nearly 151 million cattle in British India, and that there has been an increase of 3·5 per cent., during the last five years. If numbers only count, India should be considered rich in her cattle wealth, but unfortunately there are too many scrub, half-starved cattle in this country, and the average efficiency both of draught bullocks and milch cows is very low. The problem is how to produce cows capable of yielding more milk and bullocks capable of doing more work. This problem the Agricultural Department is trying to solve, in the only way in which it can be solved, namely, by better breeding and feeding. Cattle-breeding farms have been established in different parts of the country. On these farms all the distinct breeds are being improved by selection, cross-breeding and better feeding, and bulls thus improved are being issued for stud purposes.

At Pusa, the milk yield of the pure Sahiwal herd has been almost doubled in 10 years by selective breeding and better feeding; while the result of cross-breeding with sires of European pedigree has been to produce cows which in milking capacity can stand comparison with those in some of the best herds in Western countries. With a view to adapting this new strain to the climatic conditions obtaining in the country, half-bred dams are being mated with Sahiwal bulls of good milch pedigree. In the Central Provinces, the introduction of Sahiwal blood in some local herds has resulted in an appreciable increase in milk yield. Selective breeding with the Hariana cattle at Karnal and with Kankrej cattle at Surat has given indications of milking strains in these popular draught breeds. There is, there-

fore, every prospect of the department being able to fix, in course of time, types of profitable dual-purpose animals.

The problem of producing milk in rural areas, where it is relatively cheap, for transport to urban centres where it is dear is being tackled on practical lines. In Bengal, the Co-operative Department has successfully organised the sale of village milk. The Telankheri Co-operative Dairy which has for many years supplied milk to Nagpur is a successful concern. In the United Provinces, two private schemes have been promoted for the supply of milk to the cities of Agra and Hathras, and a third one for Naini Tal is being initiated. Similarly, milk transported daily from Pusa to Muzzaferpur, a distance of 22 miles, finds a ready market. As such schemes can be made successful only when supervised by qualified men, arrangements have been made at the Imperial Institute of Animal Husbandry and Dairying at Bangalore, to train dairy managers.

The Indian Veterinary Service has devoted a very large part of its work during the year to fighting the destructive contagious diseases to which Indian cattle are so exposed. Rinderpest which broke out in an intense form in the latter half of 1924 after a comparative respite of over three years, raged with an almost unprecedented virulence throughout the year ending April 1926 in all major provinces, except Bihar and Orissa. The reported mortality from contagious diseases consequently rose to the record figure of 399,845, which has only once been exceeded within the last decennium. In an unhealthy year such as this, there was naturally an abnormal increase in the calls made on the services of the veterinary staff, who carried out 1,550,199 preventive inoculations in the field as against 968,431 in the previous year. The cases treated at the veterinary hospitals and dispensaries and by itinerant veterinary officers rose from 2,740,121 to 2,839,688.

Of the two methods of fighting rinderpest now practised, the serum-alone method, on account of its simplicity and absolute safety, has been hitherto considered suitable for India, although all that is claimed for it is that it carries an animal through an outbreak. The other method known as the serum-simultaneous method, which confers permanent immunity was, however, tried this year on a somewhat extensive scale in Mysore, and of the 37,500 cattle inoculated, only 29 succumbed to the after-effects of this inoculation. The success of the Mysore experiment encourages one to think that

it may be possible at some future date to give, by this method, permanent immunity on a large scale to village cattle.

The Imperial Institute of Veterinary Research at Muktesar which manufactures the munitions for the campaign against cattle disease, issued 6,181,800 doses of sera and vaccines of all kinds as against 3,535,699 doses in the previous year. Such an abnormal demand was met promptly and completely by utilizing to the fullest extent the resources of the Branch Laboratory at Izatnagar.

In addition to the saving of cattle life from the ravages of disease, the Veterinary Department performs the important function of emasculating inferior bulls to prevent deterioration of the breeds of cattle. During the year under review, 282,826 bulls were castrated, as against 195,427 in the previous year. Outside the Punjab, there is great reluctance to offering scrub bulls for emasculation, but unless this reluctance is overcome, efforts at cattle improvement by better breeding will be greatly handicapped.

There are four colleges at Lahore, Bombay, Madras, and Calcutta and two schools in Burma for training the personnel of the Veterinary Department. It has been decided to start another college at Patna, and to convert one of the schools in Burma into a college. The Secretary of State has sanctioned the creation of two special posts of Principal and Professor of Pathology for the Bihar and Orissa Veterinary College at Patna on contract for five years. The local Government propose to appoint three other professors with British qualifications for five years at a time, and to re-engage them for further fixed periods so long as their work continues to be satisfactory.

The Secretary of State has also sanctioned the creation of two temporary posts of specialist officers for employment in the Civil Veterinary Department in Burma on special contract for five years. The incumbent of one of these posts will carry out researches in connection with the diseases of elephants and draught buffaloes employed in the forests in Burma, while the other will undertake researches into the ordinary diseases of plough cattle.

How do all these activities, which we have been considering, affect the welfare of the agricultural population of India? Clearly, wherever canal irrigation extends, and wherever the agriculturists are able to take advantage of the improved implements and the

immense amount of valuable knowledge made available for them by the Agricultural and Veterinary Departments, there cannot but be an appreciable improvement in welfare. But what of the many millions who live where irrigation schemes can never help them and those who are too poor or too ignorant or too apathetic to take advantage of the new agricultural methods and implements? Can we say that their condition has improved or is improving? This question we cannot answer definitely owing to the lack of data on which we have already commented. But there are general indications that the lot of the Indian agriculturist is now better than it was in the past, even in the comparatively recent past. The multiplication of third class passengers on the railways during the last decade or so indicates that more money is now available after the bare necessaries of life have been procured than there was previously. The increase of bullock carts and other wheeled traffic in most Indian districts is another sign which points in the same direction, as also does the increased absorption of rupees, which has taken place of late years. Again, during the last period of wide-spread scarcity in 1921 less than 3 per cent. of the total population in the area affected was in receipt of relief and even the poorest classes were able to purchase corn when its price was highest instead of having to live on wild roots and seeds and other jungle produce. Such direct evidence as we can collect, slight though it is, supports these conclusions. At the end of last century the average income for all India was estimated at Rs. 30 per head per annum. This, however, was hardly more than a guess, but even a guess to-day would have to put the figure much higher. In Madras, for example, the Statistical Branch of the Department of Agriculture published a few years ago a careful estimate of the income earned by agriculturists in the form of agricultural products throughout the presidency. According to this computation the average income per head worked out at a little over Rs. 100 for the 42·3 million persons of the Madras Presidency. Investigations pursued in Bombay have yielded results not dissimilar. The net per capita annual income, arrived at by dividing the gross income of a family, minus agricultural and business expenditure, by the total number of persons in the family, works out at about Rs. 100 for urban localities, and for rural areas at about Rs. 75. The time is more than ripe for further investigations of this sort by provincial governments, for adequate data concerning agricultural income and welfare generally at the present

time would be very valuable as providing a starting point from which to measure the progress, which, it is to be hoped, will result in the future from the work of the Royal Agricultural Commission.

Earlier in this chapter it was said that famine is no longer the dread menace which it was in former days, and it will interest the reader to see how conditions of local scarcity are now handled by the authorities. During the year 1926 conditions throughout India were generally favourable as the result of a good monsoon. But owing to the unfavourable agricultural situation in the Merwara district, test works were opened on March 1st and scarcity declared from the middle of that month. The 1926 monsoon was, however, generally sufficient and all scarcity works were closed by August 21st. Concession rates for the carriage by railway of consignments of fodder booked to stations situated in Ajmere-Merwara were withdrawn in December. There was a partial failure of crops in certain parts of the Buldana district in the Central Provinces, but no scarcity or famine was declared and no gratuitous relief was given. The ordinary Public Works Department programme of works was, however, expanded to meet the situation wherever the failure of crops necessitated the provision of employment to labourers. All such works were closed down in the first week of July on the advent of the monsoon. In January at the instance of the Famine Relief Committee, Hyderabad, the Government of Bombay sanctioned the introduction of concession rates for the carriage of fodder from railway stations in Sind. Grants of Rs. 50,000 and 2,25,000 were placed at the disposal of the Baluchistan and the North-West Frontier Province administrations respectively during the year for distribution as takavi advances to cultivators. During the year, the price of foodstuffs showed a slight downward tendency and there was a very notable fall in the amount of wheat exported from this country.

Turning now to life in the towns of India we may at once note that of late years much has been done both by the state and by private agencies to improve the conditions of industrial labour. Many of the bigger employers for example now have undertaken housing and other welfare schemes for their employees, and a full survey of such schemes would provide material for a really impressive narrative. It is particularly pleasant to note that, of late years, special attention has been devoted by many employers to the welfare of women workers and their children. Maternity benefit

schemes are numerous, and the practice of providing creches for infants is growing. Indeed, in some places private employers have got ahead of the municipalities in the provision of some of the more necessary amenities of life for the urban working classes. In the cities where labour is most congested, that is, in Calcutta and Bombay, the efforts of the more enlightened employers to provide healthy housing accommodation are hampered by difficulties in acquiring land, but in Bombay, single stories tenements have been built in preference to the unsatisfactory *chawls* in spite of the very high price of land there.

When we turn to those activities of the state which are devoted to improving the conditions of industrial labour we see that much has been accomplished within the last few years. The Factories Act has introduced a 60 hours week, and has provided for the exclusion from factories of children below the age of 12, the abolition of night work for women, and other reforms. The Mines Act of 1923 prohibited the employment of children under 13 years of age and their presence below ground. Hours of work have been limited to 60 a week above ground and to 54 below ground, and a weekly day of rest has been prescribed. The Act has also enlarged the definition of mine and made possible the prohibition of the employment of women under ground. Draft regulations for the exclusion of women from the underground parts of mines have been drawn up and are being referred to mining boards for opinion. Also, a Bill has been introduced into the Legislature to amend the Mines Act of 1923 so as to limit the daily hours of work in mines to twelve, and to require, where a mine is worked continuously, that work shall be carried on by a system of shifts.

In addition to the above two pillars of industrial legislation in India, the Workmen's Compensation Act passed in 1923 introduced for the first time into this country a system for alleviating hardship caused by industrial accidents, whilst the Indian Trade Unions Act, which was designed to encourage trade unionism on sound lines, was passed by the Indian Legislature in the Delhi Session of 1926. The Act will come into force on the 1st June 1927.

The Factories Act dates, in its present shape, from July 1922. Owing to the change in conditions brought about by the passage of time it was realised that new legislation was necessary, and, accordingly, a new Factories Bill was introduced in the Legislative

Assembly on the 1st March 1921, containing among others the following proposals:—

(1) Provision of a 60 hours' week and the limitation of the daily hours for men in all factories to 12.

(2) Limitation of hours for all children to 6 and the raising of their upper age from 14 to 15.

(3) Reduction to 20 of the number of employees necessary to constitute a factory and grant of powers to local Governments to include factories employing as few as 10 whether machinery is used or not.

(4) Repeal of the provision allowing women to work in ginning factories at night.

(5) Raising the interval from half an hour to an hour and tightening the provision relating to holidays.

(6) Abolition of certain existing exceptions and the substitution of exempting clauses based on defined principles.

A Joint Committee of both houses of the Indian Legislature reduced the daily limit of hours for men from 12 to 11 and provided that "at the request of the employees concerned, two half hour intervals might be substituted for an interval of an hour." Later, some difficulty was experienced in working this condition, and this and a few other minor practical details were set right by an Amending Act passed in March 1926. By this Act, power was given to the local Governments to prevent the cleaning of machinery in motion and to secure better reporting of accidents. A section was added making it an offence for a parent or guardian to allow a child to be worked in two or more factories on the same day. Also, the definition of factory was improved. The bill as originally drafted contained a clause requiring that a reasonable temperature be maintained, but it was felt that this gave too wide powers to the Inspectors, and the majority of the Select Committee of the Legislative Assembly which considered the Bill deleted it. It was clear however, that their views were not shared by a large section of the Assembly and an undertaking was given to bring the matter up at the next session. In August 1926, accordingly, an Amending Bill was introduced to give local Governments power to prescribe standards of temperature and the methods to be used to attain those

standards with a view to safeguarding the health of the operatives. The Bill died with the dissolution of the Legislative Assembly but it has been circulated for the purpose of obtaining the opinions of provincial governments on it and these opinions are now being considered by the Government of India. The bulk of the responsibility for the enforcement of the Factory Act now rests on a well qualified whole-time staff. The growth of interest in factory legislation on the part of the educated public and those whom that legislation is designed to protect gives to the administration a support which is more valuable than is generally realised.

It is no insignificant commentary on the interest taken by the State in the welfare of the workers that the number of persons injured for every 100,000 employed in 1925 as compared with the corresponding figures for 1892 was not unduly high when regard is paid to the increased complexity of the plant and the regrettable lack of progress in the Indian workman's ability to recognise the dangers which are not inseparable from the use of modern machinery.

The latest report on the working of the Factories Act relates to the year 1925 during which the number of factories rose from 6,406 to 6,926 and the factory population increased from 1,455,592 in 1924 to 1,494,958 in 1925, that is, an increase of over 39,000. The increased employment of women which was noticed in last year's report continued during 1925, when the number of women employed was 247,514 as compared with 235,332 during the previous year. But there has been a further decline in the number of children employed in factories from 72,531 in 1924 to 68,725 in 1925, and it is probable that the growing demand for women's labour is partly due to the restrictions on the employment of children which have recently been made effective. The percentage of factories maintaining a week of 48 hours for men is 27; in 12 per cent. more the men employed worked for 54 hours or less; the number working more than 54 hours is 61 per cent. For women the corresponding percentages are 32, 11 and 57. These figures show that the progress which was noted in last year's report in respect of hours of work has not been maintained during the year 1925. The number of factories in which the employees are worked for the maximum hours permissible under the Act shows a tendency to increase. An unsatisfactory feature of the year is the increase over last year in the number of

factories in which the majority of operatives are exempted from the various sections of the Act. The largest number of exemptions was granted in Assam. Provincial Governments have been asked to review the existing exemptions with the object of reducing them wherever possible. The total number of accidents recorded rose from over 10,000 in 1924 to 12,645 in 1925. Fortunately, the increase is largely due to the rise in the number of minor accidents reported, and the reports of Chief Inspectors give good grounds for believing that this rise is largely due to better reporting. The introduction in 1924 of the Workmen's Compensation Act has apparently had an important effect in this connection. Not only has the Act given operatives an interest in seeing that accidents are not ignored, but it leads those employers who are insured against compensation claims to report to the insurance agencies and the factory inspectors accidents of a type which were formerly regarded as too trivial to be worth reporting. At the same time, the number of fatal accidents is distressingly high. It is lower than the figure for 1924, but that year's figure was swollen by two accidents involving large loss of life and the total number of accidents resulting in fatalities in 1925 is probably at least as high as in 1924. The prevention of accidents is, to a considerable extent, beyond the powers of employers, but greater attention to safety methods would in all probability have an important effect in reducing accidents. In particular, the placing of unskilled persons in charge of dangerous machinery—a practice to which attention is called in one provincial report—shows either extraordinary ignorance or a callous disregard of the dangers to which operatives are subjected, and the Government of India have asked Provincial Governments to take stringent measures against employers who neglect to take all reasonable precautions to secure the safety to their employees.

One cause of serious accidents to which special attention is called in more than one provincial report is the faulty construction of factories. Under the law as it at present stands, power to control the construction of new buildings is ordinarily limited to municipalities, and even within municipalities buildings which were not intended as factories may be so used without previous sanction from any authority. Further, the scrutiny of building proposals conducted for municipal purposes is not primarily directed to ensure that the build-

ing will be suitable for purposes of a factory. In consequence, work is frequently begun in buildings which have been constructed in entire ignorance of the requirements of factory law and not infrequently, a serious accident occurs before the Factory Inspector becomes aware that the building is being used as a factory. Also the construction of many existing factories is such as to make it difficult to secure reasonable standards of comfort for the operatives employed in them. Much can, however, be secured by co-operation between the municipalities and the factory inspection staff. In the Howrah Municipality a number of plans for proposed factory buildings were sent to the Chief Inspector of Factories for approval, with the result that in many cases it was discovered that the buildings were not designed to secure adequately the safety and health of the operatives.

The number of convictions obtained during the year for contravention of the Factories Act, was 998; 271 persons in all were convicted. The corresponding figures for 1924 were 615 and 223. The increase in the figures may be taken as a satisfactory indication of increasing strictness in the enforcement of the provisions of the Act. Complaints as to the inadequacy of fines in some cases are unfortunately repeated in provincial reports although there are signs of improvement in this respect. There are, however, still a few cases in which a merely nominal fine has been imposed for the illegal employment of women and children.

The most satisfactory feature of the year's working was the increase in the percentage of factories inspected. The number of inspections made was substantially in excess of the number in any previous year and the percentage of factories uninspected fell to 14. As the factory inspection staff is not yet adequate in all provinces, the figures are distinctly creditable.

The Annual Report of the Chief Inspector of Mines on the working of the Indian Mines Act during the year 1925 shows that during that year the daily average number of persons employed in mines was 253,857, a decrease of 4,360 persons as compared with the preceding year. Of these persons 169,554 worked underground and 84,303 on the surface; 165,479 were adult males, 84,243 adult females and 4,135 were children. The number of persons employed in coal mines was 173,140 or 13,948 less than the number employed

in 1924. In coal mines 39,618 women worked underground and 18,913 on the surface, the corresponding figures for 1924 being 41,616 and 21,994. The output of coal was 19,969,041 tons or 1·42 per cent. less than in the previous year. On the other hand, there were substantial increases in the output of iron-ore, mica and manganese. The average number of tons of coal obtained per person employed was 115 an increase of 7 tons per person over the preceding year. For this, the increased use of coal-cutting machines was mainly responsible and the Chief Inspector estimates that about 15 per cent. of the total output of coal was obtained by means of these machines.

During the year 1925 there were 200 fatal accidents 233 lives being lost. The death-rate from accidents was 92 per 100,000 persons employed, which is the lowest rate recorded for many years. One hundred and fiftyseven of the fatal accidents occurred in coal mines. Increased attention is being given by owners of mines to welfare work and "safety first" propaganda amongst the labour force and several large groups of collieries in the Jharia coalfields have taken steps for instructing the resident labourers on health matters.

Reports from the provinces showed that the Indian Workmen's Compensation Act has worked smoothly during the year under review. There was a marked increase in the number of claims made under the Act and in the amount of Compensation paid by the employers. Some labour organisations have assisted workmen to put forward their claims under the Act, but there are indications that workmen generally are not yet fully aware of the financial relief to which they are entitled under it.

The downward trend both in the number of strikes and in the number of successful strikes continued during the year. The total number of strikes reported in 1926 was 128 as against 134 in the previous year. There was no strike of outstanding importance and most of the strikes were short-lived and unimportant. The percentage of strikes during the year which were unsuccessful from the point of view of the employees was 82 as against 67 in the previous year.

Indian labour is very poorly organised. The Directory of Trades Unions compiled towards the end of 1925 by Mr. R. R. Bakhali,

Assistant Secretary to the All-India Trades Union Congress showed eight federations and 167 trade and labour unions in India. Nearly half of these, however, were organisations either of Government servants or of persons connected in some way or other with Government employment whilst some of the others were ephemeral or obscure. Trade Unionism has met with some success among Railway and Postal employees but has not hitherto progressed well in the great organised textile and mining industries. So far there has not been much co-ordination between the different trade unions in this country although the All-India Trade Union Congress was started in Bombay in 1920. However it is possible that there is some slight tendency in the direction of co-ordination, and its officials claim that the Trade Union Congress represents over 100,000 organised workers in this country. There have hitherto been far too few organisers of the right type, and many so-called Trade Unions have been formed in the past by political agitators who have instigated strikes in pursuance of purely political ends often with a callous disregard of the subsequent sufferings and losses of their ignorant and hapless dupes. The Indian Trade Unions Act, which was discussed in last year's report, now provides the conditions under which a healthy and valuable development of Trade Unionism may take place and there is no reason to doubt that it will produce the results which are hoped from and expected of it.

The problem of unemployment wherever it exists is primarily one for the provincial governments to tackle, but the Government of India have drawn their attention to its gravity. Unemployment in India is not an easy question to deal with, because practically none of the data required for an adequate treatment of the subject are available. It is quite certain that the problem of unemployment differs in important respects from the problem as it is understood in Western countries. Thus, although unemployment occurs sporadically among particular classes of workers and may be a regular feature in a few industries such as shipping, there is no reason to believe that general unemployment is a normal feature of the Indian industrial system whilst on the other hand it is certainly true that in a number of Indian industries the demand for labour is generally greater than the supply. Unemployment in Indian industries, in fact, only occurs on a wide scale when scarcity or famine produces

partial or complete stoppage of agricultural operations over wide areas and thus throws into the market agricultural labour and labour employed in industries subsidiary to agriculture. But here it is necessary to draw a distinction between conditions in India at such times and analogous difficulties in Western countries, for a situation of this kind is met in India by the institution of a system of famine relief which has no parallel in the other countries referred to. When we talk of unemployment in India, what we have in mind usually is unemployment among the educated classes and there is not the least doubt that this constitutes a problem which is becoming more and more serious every year. The educational system of India is such as to produce persons qualified almost exclusively for clerical occupations. The average educated Indian looks first to Government service as a means of livelihood, and, failing that, to clerical work under some quasi-official or public body. Government service, the railways, municipal and other local bodies, Port Trusts and the like, can only absorb a percentage of the candidates for employment and the rest are left in a very difficult position indeed. Undoubtedly, more facilities for scientific, technical and industrial education are necessary. The growing industrialisation of India ought not only to absorb increasingly large numbers of qualified men, but the provision of such men will speed up the development of Indian industry. It is satisfactory to be able to report that certain notable steps in this direction have already been taken. On the 9th of December, 1926, His Excellency Lord Irwin opened the School of Mines at Dhanbad and in his speech on that occasion he expressed the hope that India would see the Schools activities reflected in the development of Indian industries. The University of Rangoon is not neglecting its duty to provide competent engineers for the exploitation of its rich oil and mineral fields and industrial and technical schools which spring up in different parts of India. It is greatly to be hoped, therefore, that the years to come will see new avenues of employment opened up for the educated men and women of India.

In last year's report the case of the Anglo-Indian community, which is an almost entirely urban community was discussed in some detail. Not a few of the difficulties of the Anglo-Indian community have arisen out of its anomalous status. At different times it has

been included in the category of "statutory natives of India," "European British subjects," and, lastly, according to the Railway Budget for 1927-28, as "other classes." This uncertainty of status has undoubtedly helped to render the position of the Anglo-Indian community precarious, and, since the inauguration of the Reforms and the consequent Indianisation of the different services, particularly of the Railways which has taken place, the economic conditions of the community have undoubtedly deteriorated. This worsening of their conditions has led the Anglo-Indians to organise themselves for the improvement of their lot. Anglo-Indian Relief Committees have been formed in many places in India and the All-India and Burma Anglo-Indian and Domiciled European Association under the Presidentship of Lieutenant-Colonel Gidney, who represents the community in the Legislative Assembly, has taken up among other things the question of Anglo-Indian education with a view to making it more adequate to the circumstances of the present day. Some Provincial Legislative Councils have shown a tendency to reduce the grants for European education which includes Anglo-Indian education, and Colonel Gidney and his Association have therefore started an education Fund. Owing to the general poverty of the community subscriptions necessarily flow in slowly, but after less than a year the fund has reached the figure of Rs. 15,000. A trust deed has been executed in respect of this fund and trustees have been appointed. As was pointed out in last year's report the restriction of the employment of Anglo-Indians in the railways and Government services renders it absolutely imperative that the children of the community should receive an education which will enable them to compete with others in the learned and commercial and other professions. Improvement in this respect is already apparent and whereas only a few years ago hardly a single Anglo-Indian University graduate was to be found in the country, there are now over a hundred students in Calcutta alone going up for University degrees and other important centres report in the same strain. In addition to making these efforts towards communal organisation and education, the Anglo-Indians are seeking to identify themselves with the other communities which own India as their mother country, and are claiming the rights and privileges and accepting the duties pertaining to such a status. The Anglo-Indian Deputation under Lieutenant-Colonel Gidney, whose activities were described in last

year's report, has already produced one beneficial result, for Anglo-Indian unemployment is less to-day than it has been during the few preceding years, a result which must be ascribed in part at least to the work of the Deputation. One of the main efforts of Anglo-Indian endeavour at the present time is to obtain employment in the Indian Army in whose records many memorable pages have been written by members of the community.

No account of the relations between governmental activities and public welfare in this country would be complete without some mention of the efforts which are being made by the State to improve sanitary conditions and public health generally. Quite apart from their influence on the alleviation of human suffering, these efforts have an economic importance which is direct, even though it cannot be calculated statistically. To illustrate this we need only consider the evil effects of the most common disease in India, namely, malaria. No part of India is free from this scourge and the number of days of work which are lost every year on its account must run into many millions. The members of every class and occupation in India are affected. And not only the actual days lost are to be counted but the weakening effects of malaria on the human system must also be taken into consideration, for it saps the energy and reduces the efficiency of its victims. In other parts of India, commonly prevalent diseases like hookworm, beriberi, etc., supplement the havoc wrought by malaria, whilst destructive epidemics like cholera, plague and small pox which so frequently sweep different areas of India, take heavy toll. It must be remembered that a death in India may be a very ruinous thing for a family since it may result in extravagant expenditure on funeral ceremony, may lead to the un-economic partition of land, and produce a number of other disastrous effects. Sanitation and public health are now provincial transferred subjects and so their main treatment in this report will be found in chapter VII. But the Government of India retains certain powers in respect of infectious and contagious diseases to such extent as may be declared by any Act of the Indian Legislature; controls the pilgrim traffic outside India; and controls emigration. The Indian Government also directs central medical research work and assists in the work of the International Bureau of Public Health in Paris, which they allow their Public Health Com-

missioner to attend during at least one season of the Bureau each year.

Now that the financial outlook in India has improved, Government has been able to give increasing help to Medical Research. During the year 1926-27 the Indian Research Fund Association received a total grant of Rs. 6,75,000 from the Government of India and financed 47 different enquiries in the field of medical research, including investigations into various aspects of malaria, plague, cholera, helminthology, kala-azar, leprosy, nutritional diseases, tuberculosis, dysentery, diarrhœa and other intestinal disorders, skin diseases, relapsing fever, dengue and sandfly fever and diabetes. The Association also continued its contributions towards the cost of two professorships at the Calcutta School of Tropical Medicine and Hygiene, the pay of Dr. Muir employed on the leprosy enquiry at the same School, and the up-keep of the Imperial Bureau of Entomology, London, and also sanctioned new grants towards a permanent central malaria organisation and the Bio-Chemical Section at the Haffkine Institute, Bombay. The Fourth Annual Conference of Medical Workers in India was held at Calcutta from the 13th to the 16th December 1926. Fifty-four delegates attended and each research worker gave a brief account of his investigations. A programme of work for 1927-28 which would absorb almost the whole of the Indian Research Fund Association's income, was recommended for the consideration of the Scientific Advisory Board and was finally approved by the Governing Body. Further, the scheme for establishing an Imperial Medical Research Institute at Delhi, which was postponed in 1923 in deference to the recommendations of the Indian Retrenchment Committtee, has now been revived. It was suggested to the Secretary of State in September 1926, that the scheme should be reconsidered and that as a preliminary the whole question should be re-examined by a committee consisting of four experts, two selected from India and two from abroad. The sanction of the Secretary of State was received and steps are being taken to appoint the members of the Committee. In commemoration of the visit to India of Sir Ronald Ross in January 1927, an experimental malarial station will soon be opened at Karnal under the auspices of the Indian Research Fund Association and will be named after him.

India was represented at the International Sanitary Conference held in Paris during May and June, 1926, which met at the invitation of the French Government to consider a revised text of the International Sanitary Convention signed in Paris in January 1912. The Conference agreed on a convention which the leading representative of India was able to sign with only one reservation of minor importance. This convention is distinguished from that of 1912 by better arrangement, clearer enunciation of the main principles and the removal of several provisions which had little or no protective value and were irksome to trade and shipping. The Convention now awaits ratification by the Government of India.

During the year, the Indian Government has devoted considerable attention to the safety and comfort of persons proceeding on the pilgrimage to the Hedjaz. It has taken steps to amend the Indian Merchant Shipping Act, 1923, so as to do away with the vexatious delays to which at present pilgrims are sometimes subjected. In order to meet the convenience of pilgrims from Bengal and the adjoining provinces, the Government of India decided to reopen the port of Calcutta to pilgrim traffic and to meet from the central revenues the cost of the protector of pilgrims at Calcutta and his staff. Lastly, simultaneously with the revision of the International Sanitary Convention at Paris, His Majesty's Government and the Indian Government have come to an agreement with the Government of the Netherlands for joint control of the quarantine station at Kamaran in the Red Sea by the Indian and Netherlands East Indian Governments. Pilgrims arriving from India will be treated by a Medical Officer appointed by the Government of India. On the conclusion of the Haj Pilgrimage of 1926, the Government of India sanctioned the repartriation of 487 destitute Indian pilgrims from Jeddah.

The question of the continuation of the recognition of Medical degrees of Indian Universities by the general Medical Council is one of some importance at the present time. In connection with this subject it was arranged that Sir Norman Walker accompanied by Colonel R. A. Needham, I.M.S., should come to India in the cold weather of 1926-27. Colonel Needham came out in advance and inspected the university examinations falling due in October and

November 1926. Sir Norman Walker reached India towards the end of December and he and Colonel Needham visited and inspected the various Indian Medical Colleges. Their report had not been submitted at the end of the year under review.

In July 1926, a revised scheme for the re-organisation of the Medical Services in India was submitted to the Secretary of State. The main features of the scheme are that Provincial Civil Medical Services should be constituted and recruited by Local Governments, that the suggested unification of the Military Medical Services in India should be abandoned, that an Indian Medical Service constituted on the same broad lines as at present, should be retained primarily for the purpose of meeting the needs of the Indian Army and that in order to maintain the necessary war reserve of military medical officers and to provide European medical attendance for European Officers of the Superior Civil Services and their families, provincial Governments should be required to employ a stated number of Indian Medical Service Officers in addition to Officers of the Provincial Medical Service.

The question of medical relief for the women of India calls for special notice. For years past, knowledge of the conditions under which so many of them live and give birth to their children has been growing in the outside world, particularly in England, as well as among those responsible for the government of the country. With this knowledge has grown the conviction that something must be done to alter these conditions and the will to do it; but official and non-official action must go warily, for relief in this matter finds itself confronted at every step with customs and practices which have acquired religious sanctions and the prestige which comes of age-old observance. The custom of child marriage among the Hindus, and the purdah system cause, or at any rate cloak, immeasurable suffering and also make difficult the approach of medical practitioners, particularly men, to the suffering women; but while purely governmental action is brought to a halt by the wall of religious and traditional usage, other agencies can manage to find a foothold in the cracks and crannies, and come at least to the threshold of the territory on the other side of the wall.

Medical relief for women in India is the special care of three quasi-official institutions, neither "central" nor "provincial,"

which have grown up out of the interest taken by the wives of successive Viceroys in the matter.

The first of these institutions, founded by the Countess of Dufferin and commonly known by her name, has for its object the training of women as doctors, hospital assistants, nurses and midwives as well as the provision of dispensaries, wards and hospitals. This institution did excellent work; but, after some years, it became clear that its income had become insufficient for the fulfilment of its objects and that the remuneration which it offered women doctors was inadequate. This resulted, in 1914, in the establishment of a Woman's Medical Service and the Government of India now pays the Countess of Dufferin's Fund a subsidy of Rs. $3\frac{3}{4}$ lakhs. It has a cadre of 42 officers (with a training reserve of 8) scattered throughout India, working chiefly in women's hospitals and teaching in the Lady Hardinge Medical College, Delhi, and the Medical Schools at Madras and Agra. It is recruited in the proportion of 50:50 from among Europeans and persons domiciled in India; but the present strength of the service is proving unequal to the demand for trained medical women.

The second institution working in this field is the Victoria Memorial Scholarships Fund, raised by the late Lady Curzon. Its object is the training of local *dais* or midwives so as " to enable them to pursue their hereditary calling in the light of modern sanitation and medical knowledge." Anyone familiar with the crude and dangerous conditions in which births take place in India will readily realise the pressing need for some such training. The Fund began to furnish this training in 1902, but owing to the ignorance and stubborn prejudices of the class for whose welfare it was established, progress has been painfully and lamentably slow. Nevertheless, a great deal has been accomplished, but progress must depend as much on the education of public opinion as on the provision of well-trained *dais*. There are signs of an awakening consciousness, due probably to the propagandist effects of such movements as Health Visitors in the Punjab, the innovation of providing quarters for *dais* willing to receive a nine-months' intensive training in Dera Ismail Khan, and the exertions of the Municipal Welfare Scheme in Simla.

The third institution working for the welfare of Indian women is the Lady Chelmsford League, founded to " promote Maternity and

Child Welfare generally in India." The high rate of infant mortality in India was felt to be a blot on her health administration; but "lack of funds" was the official excuse for not tackling the problem. Lady Chelmsford determined to fill the gap and collected a sum which yields an income of over half a lakh of rupees.

The League has done admirable work, though its developments have not been quite those which were anticipated, this rather in its methods of work than in its objects. The work undertaken by the Red Cross Society with its surplus income after the war, has resulted in the League devoting the largest part of its income to the education of Health Visitors, the remainder being expended on propaganda and on work outside Governors' provinces. Schools for the important work of educating Health Visitors have been opened in Delhi, Lahore, Madras, Calcutta, and Nagpur; while some training is given also at Poona under the *Seva Sadan*. The first four are assisted by the Lady Chelmsford League, though the Punjab Government has lately decided to take over the one at Lahore. It is discouraging to note, however, that despite the good work being done by these schools, candidates do not come forward in sufficient numbers.

The League's propaganda consists in publishing leaflets, pamphlets, books, and posters in various languages and in providing travelling Exhibitions of Maternity and Child Welfare. The League also acts as a bureau of information for the whole of India and is in touch with Child-Welfare all over the world. In February 1927 the League called an important conference for the discussion of maternity and child-welfare problem. Delegates from all parts of India and Burma and even from Ceylon attended and the results achieved were highly satisfactory.

"Baby Week" is a development of one side of the League's activities, and was organised in its present form by Lady Reading. It would be difficult to exaggerate the practical importance of the stimulus afforded to the Infant Welfare movement by Baby Week. The exhibitions, lectures, and baby shows which annually take place in all the most important centres of India have aroused public interest in an unprecedented degree. The local operations are directed by Provincial Committees of the National Baby Week, whose members display the keenest enthusiasm. Year by year the number

of new towns applying for assistance in organising a Baby Week increases. There is an ever-growing demand for leaflets, pamphlets, model lectures, cinematograph films, and magic lantern slides. Various benevolent institutions such as the Poona Seva Sadan Society, have thrown themselves with enthusiasm into the task of furthering the campaign. The Poona Seva Sadan Society has a number of Infant Welfare centres and ante-natal clinics working in conjunction with the two maternity hospitals it conducts. In short, a great national organisation has been created for the diffusion of knowledge concerning the requirements of babies both before and after birth. The new Baby Week movement is supplementing the efforts of older institutions such as the National Association for Supplying Female Medical Aid to the Women of India. Further, Lady Reading has initiated a scheme for training Indian nurses and doctors in larger numbers, which, as time goes on, should do much to improve the situation. Her Excellency Lady Irwin has continued the work of her predecessor and this year's Baby Week aroused immense enthusiasm. As a means of focussing attention on the problems of motherhood and infancy it is unrivalled and more than maintains both its popularity and its efficacy. The Silver Challenge Shield donated by the " News of the World, London " for annual competition for the best " Baby Week Campaign " held throughout the Empire (excluding the British Isles) was awarded in 1926-27 by the National Baby Week Council to the Baby Week Committee at Bellary, Madras Presidency. Amongst those who were highly commended in the competition were Simla Committee, Delhi Committee and Secunderabad Deccan Baby Week Committee.

This chapter may fitly close with an account of the policy of the Government of India and the different provincial governments towards the consumption of Opium and Alchoholic Liquors in India. As far as opium is concerned, the sphere of the Government of India is practically confined to its international obligations in connection with the export of Indian opium to foreign countries and to the control of the cultivation and manufacture of opium in British India. Otherwise, the control of the opium traffic in British India is entirely in the hands of the provincial governments. What is commonly called " the Opium evil " is unknown throughout the greater part of India, and only in Burma and Assam does opium smoking attain any appreciable dimensions. In Burma a system of registration

and rationing is in force. On the 31st of December 1926, the number of Burmans and non-Burmans registered as smokers were 761 and 15,118 respectively. No new names may be added to the register and with the gradual disappearance of the persons now on it, opium smoking will cease to exist in Burma. The Assam Government have recently taken most active steps to control the practice and ultimately extinguish it, and a Bill to penalise opium smoking was under consideration at the end of March 1926. In the Punjab, Delhi, North-West Frontier Province, Baluchistan, and the United Provinces opium smoking in assemblies is a penal offence. The Government of Bihar and Orissa propose to undertake legislation on the lines of the United Provinces Act and the Government of Bengal have under consideration a draft bill to control opium smoking at public gatherings. The Government of Madras intend to prohibit opium smoking altogether and the Government of Bombay have decided to prohibit absolutely the possession of *chandu*.

The policy of the Indian Government in the matter of opium exports is governed by international agreements. The export of opium to any non-Asiatic country other than the United Kingdom is prohibited. The export to the latter is for medicinal purposes only and is strictly controlled by the Import Certificate system. The direct control over exports of raw opium which the Government of India had assumed in 1923 was extended to the other dangerous drugs covered by the Geneva Convention in 1926. In June, 1926, it was announced that the extinction of exports of opium for other than medical and scientific purposes will be accomplished in ten years, that is, no opium will be exported for purposes other than medicinal and scientific after December 31, 1935. The exports in 1927 will be 90 per cent. of the exports in 1926, then in 1928 80 per cent. of the exports in 1926, and so on. With effect from the 12th of February 1927 the transhipment at any port in British India of any of the goods covered by the Geneva Convention has been prohibited unless covered by an export authorization or diversion certificate issued by the exporting country.

Naturally, the present opium policy of the Government of India has not been adopted without considerable financial sacrifices the extent of which is a measure of the Government's sincerity. During the last ten years, that is, between 1916-17 and 1926-27, the area

under poppy cultivation in India has been reduced by more than 73 per cent. And not only have the Government of India devoted their attention to reducing poppy cultivation in British India, but they have entered into prolonged and earnest negotiations with those Indian States in which opium is produced. As a result of these negotiations they have already been able to reduce the total quantity of crude opium to be purchased from Indian States from about 11,400 maunds in 1924-25 to 6,500 maunds with effect from the season of 1925-26. The Government of the Punjab are trying to induce the Simla Hill States to assimilate their excise policy with that of the neighbouring British districts in the Punjab. Since January 1926 the Government of India have prohibited the cultivation of poppy in Ajmer-Merwara and it is now confined to a limited area in the United Provinces. On the 20th March 1926, a Conference was held in Ajmer to consider the arrangements which ought to be taken by the Indian Government to check opium smuggling from Rajputana and Central India into British India. As a result of the recommendations of the Conference a special preventive staff under the control of the Government Railway Police at Ajmer has been appointed to control the illicit traffic. The Government of India also decided to convene a Conference between representatives of the Government of India and of the Indian States concerned to discuss the possibility of the abandonment of poppy cultivation in the Indian States, or the adoption of some other policy that will do away with the smuggling of opium from the States into British India.

The efforts of the Government of India to reduce the production of opium in the Indian States and to prevent its smuggling from these places into British India have been accompanied by equally determined efforts to reduce still further the consumption of opium in those parts of British India whose people are specially addicted to its use. In September, 1926, a Conference of Ministers charged with the administration of Excise was held at which certain outstanding problems relating to the co-ordination of Excise policy in India were to be discussed and it was expected that the presence of the Ministers would provide a suitable opportunity for the examination of questions relating to Opium policy. After the Conference, in October, 1926, the Government of India addressed the local Gov-

ernments in regard to the cleansing of 'black spots' and placed the following specific suggestions before them for their consideration:—

(1) The appointment of Committees to conduct separate local enquiries in areas where the average consumption of opium exceeded 30 seers per 10,000 inhabitants.

(2) The investigation of the special problem presented by the large industrial areas.

(3) The application of a system of rationing and registration of consumers in areas of excessive consumption.

(4) The possibility of organising a system of liaison between the Government of India and the Provincial Governments for the purpose of assisting the latter in their local investigations.

It is interesting to notice how the use of opium in India has declined within the past few years in the different provinces. Between 1910-11 and 1925-26 the consumption has fallen in Madras from 1,039 maunds to 890 maunds; in Bombay from 1,435 maunds to 754 maunds; in Bengal from 1,626 maunds to 999 maunds; in Burma from 1,444 maunds to 712 maunds; in Bihar and Orissa from 882 maunds to 626 maunds; in the United Provinces from 1,545 maunds to 550 maunds; in the Punjab from 1,584 maunds to 941 maunds; in the Central Provinces from 1,307 maunds to 794 maunds; in Assam from 1,509 maunds to 838 maunds; and in the North-West Frontier Province from 69 maunds to 48 maunds. In Ajmer-Merwara the Government of India are considering the desirability of special enquiry into the local circumstances that are responsible for the relatively high average rate of consumption per head of the population in that area and have recently called for the views of the Chief Commissioner of Ajmer-Merwara. In 1910-11 the consumption for the whole of India was 12,527 maunds; in 1925-26 it was 7,282 maunds. At the same time the revenue derived from opium in the various provinces of India, owing to the enhanced price at which the drug is sold, has risen from Rs. 1·63 crores in 1910-11 to Rs. 3·41 crores in 1925-26.

There is reason to believe that the use of cocaine and allied drugs is increasing in the big cities of India, but Excise staffs everywhere are fully alive to the dangers from this source and an examination

of the criminal statistics will show that the traffic in these noxious drugs is becoming daily more dangerous. The extent of this traffic is sometimes exaggerated by newspaper reports as the following example will show. An article appeared in a Calcutta newspaper of the 29th May, 1925, in which it was stated that the coca plant was growing wild all over the country, that Indians were learning the habit of chewing the coca leaf, and that there were secret factories of the drug cocaine in India. Detailed enquiries by Provincial Governments proved that the whole thing was a mare's nest. In September 1926, the Government of India however requested the Provincial Governments to undertake legislation to prohibit the cultivation of the coca plant and action in this direction has been taken by the Governments of Bihar and Orissa, the Central Provinces and Assam.

The allied problem of the consumption of alcoholic liquors is also receiving close attention both from the Government of India and from the Provincial Governments. Except in those few places where industrial labour is thickly concentrated, there is no "drink evil" in the sense that this phrase is understood in Western countries. Indulgence in alcoholic liquor is strongly reprobated by practically every section of the Indian people, and, of course, for Muhammadans the use of alcoholic liquor is prohibited by religion. For some time past Prohibition has been advocated by various individuals and schools of opinion in different parts of India. In some cases this advocacy was based on purely political grounds, but it is quite certain that much of its strength comes from a sincere desire to wipe out the evils inseparable from the use of liquor by the poor and ignorant classes, who are the people mainly addicted to it in this country. There are some important practical difficulties in the way of the satisfactory enforcement of a policy of prohibition in India. In certain places the presence of the toddy palm ensures a natural supply of liquor, whilst any thorough-going attempt to abolish distillation in innumerable lonely and remote parts of the country would require very numerous and enormously expensive preventive staffs which would certainly fail to achieve their object in its entirety. Nevertheless, both the Government of India and the Provincial Governments have adopted policies which aim at ensuring the utmost moderation possible in the use of alcoholic liquors.

These policies may be conveniently, if somewhat loosely summed up in the one phrase " minimum consumption, maximum revenue." The production of liquor is controlled as efficiently as circumstances permit, and increased excise duties discourage excessive indulgence. The different legislative bodies in India do not lag behind the Indian Government in their interest in this matter of Prohibition, which came up for discussion in the Council of State on February the 9th, 1927, when the Hon'ble Mr. Rama Dass Pantulu moved a resolution recommending Prohibition in the local administrations under the direct control of the Government of India. To this resolution, the Hon'ble Mr. Brayne, Secretary in the Finance Department, moved an amendment recommending to the Governor General in Council that a policy designed to promote and ensure moderation in the use of alcoholic liquors should be adopted in the said local administrations. The resolution, as amended, was carried by the Council and Mr. Brayne's amendment epitomises the policy which the Government of India have followed since many years before the Reforms. The Governments of Bombay, Madras and the United Provinces have accepted Prohibition or " abstinence " in general terms as the goal of their policy, whereas the Government of the Central Provinces have adopted as their goal the ultimate extinction of the consumption of country-made spirit. There is some reason to believe that the policy now pursued by some provincial Governments of raising the retail price of alcoholic liquor to a high figure may defeat their object by indirectly encouraging the production and consumption of deleterious illicit spirit. Towards the end of 1926, the Government of the Punjab found it necessary to reduce with effect from the 1st of April, 1927, the duty on country spirit from Rs. 12-8 to Rs. 10 per imperial proof gallon. In Assam a Local Option Bill was passed during the year under review.

It is thus clear from the above that the executive Governments, both Central and Provincial, and the various legislative bodies in India are fully alive to their duties in the matter of controlling and reducing the consumption of drugs and alcoholic liquors in this country.

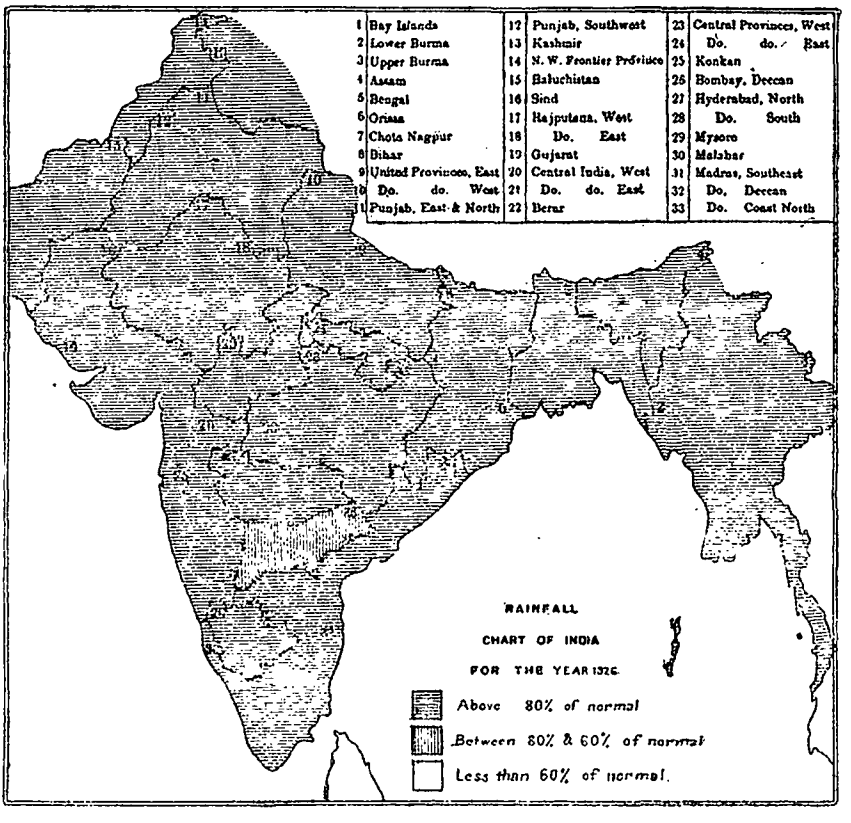
CHAPTER IV.

Communications, Trade and Commerce.

In the two preceding chapters we have been studying various sides of Indian life, and diverse activities of the Government of India and of certain political and other public bodies, where any estimate of the amount of progress achieved or benefit conferred depends much on individual opinion or even prejudice. To some persons, for example, the proceedings of the Central Legislature during the last session may appear to register considerable progress over those of the corresponding session, three years before, when the Swarajists first entered the Legislatures. Others, however, of more extreme views, may doubt whether the word progress is rightly used in this connection. Again, there are persons in India who regard Factory Acts, welfare work in cities, and such like things as at the very best only inadequate palliatives to conditions and discomforts of life which might have been avoided by revitalising the village community and fostering and developing cottage industries. But in this present chapter we can apply the test of measure to progress and discover how many more miles of railway have been added during the year, and to how many more places telegraphs and telephones have been extended and what new roads have been built and where. But it should not be forgotten that the prosaic figures of miles of railway road, telegraph wires and so on, represent ultimately more than mere mechanical achievements. For the developments during the past half century or so, of railways, roads, and telegraphs, have made all British India into a closely knit economic unit with one part sensitive to the circumstances of the other, and with the capacity to redress speedily adverse conditions in any one of its divisions with the resources of any other part or of the whole.

The value of the railway system in counter-acting the effects of famine is obvious enough whilst its contribution to the economic development of India—the roadless and canalless India of a century ago—is probably greater than the corresponding contribution of railways in most European countries. During the past seventy years or so, there has been immense activity in road build-

DIAGRAM.


1 Bay Islands
2 Lower Burma
3 Upper Burma
4 Assam
5 Bengal
6 Orissa
7 Chota Nagpur
8 Bihar
9 United Provinces, East
10 Do. do. West
11 Punjab, East & North
12 Punjab, Southwest
13 Kashmir
14 N. W. Frontier Province
15 Baluchistan
16 Sind
17 Rajputana, West
18 Do. East
19 Gujarat
20 Central India, West
21 Do. do. East
22 Berar
23 Central Provinces, West
24 Do. do. East
25 Konkan
26 Bombay, Deccan
27 Hyderabad, North
28 Do. South
29 Mysore
30 Malabar
31 Madras, Southeast
32 Do, Deccan
33 Do. Coast North
RAINFALL
CHART OF INDIA
FOR THE YEAR 1926
Above 80% of normal
Between 80% & 60% of normal
Less than 60% of normal.

ing also. The Grand Trunk Road has been extended from the Ganges valley to Peshawar, good metalled arterial and district roads have been driven over the plains and through the hills of every part of India, and thousands of miles of serviceable 'kacha' or non-metalled roads and useful bridle-tracks have been made. It is true that this activity needs to be speeded up and magnified to many dimensions before India can be said to have a thoroughly adequate road system, but this is no more than saying that India is a country of almost continental dimensions, starting late and with scanty resources on the process of economic and general material development. There can be no question that every district in India has immensely increased the amount of wheeled transport within its limits, even during the past two or three decades, and the extent of this expansion is a measure of the growth of India's road-system and of its economic value to her people. But although so much has been accomplished, it is readily admitted that this represents hardly more than the beginning of the development of roads and railways in this country.

Railway finance and the relations between the legislatures and the railways have been already discussed, but before we go on to examine the chief features of the year's work it might be as well to consider briefly railway organisation at headquarters and on the railways themselves. The agency by which the Government of India supervises the whole railway system in this country is the Railway Board, which, as now constituted, consists of a Chief Commissioner, a Financial Commissioner and two Members. A proposal of the Acworth Committee that the Indian Railways should be sub-divided into three territorial divisions with a Commissioner in charge of each was not accepted, and the work of the Members of the Board is now divided on the basis of subjects. One Member deals with technical subjects, and the other with general administration, personnel and traffic subjects, the Financial Commissioner representing the Finance Department on the Board and dealing with all financial questions. The Board is assisted by five Directors for Civil Engineering, Mechanical Engineering, Traffic, Finance and Establishment. Each Director has definite charge of certain particular aspects of the Board's active and constructive policy, and by disposing of matters excepting those affecting policy or of major importance relieves the Chief Commissioner and Members of the Board of much current work thus

enabling them to devote their attention to larger questions of railway policy, to tour over the various railway systems and to maintain personal touch with Local Governments to a greater extent than was previously practicable.

The present constitution of the Railway Board is the result of a re-organisation carried out during 1924, during which also certain changes in organisation were made on the railways themselves. For some years before 1924, it had been evident that the increasing mileage of some of the railways, the growing complexity of traffic problems and the modern advance in the science of transportation necessitated some adjustment in the controlling agency. The departmental system of administration had become unsuited to the working of an increasing traffic over large areas; and the burden falling upon the headquarters staff of the larger railways was so heavy as to render efficient control difficult. A careful analysis of the problem had indicated that the remedy lay in divisional organisation. The main object of this organisation is to fix the responsibility for the whole of the railway work in a certain section of the railway (called a " Division ") on one officer called the Divisional Superintendent. A " division " may be of any length according to circumstances, but is generally a good deal larger than what used to be known as a railway district in which under the departmental system there were three or more officers each responsible to the head of his department at the headquarters of the railway. Each Divisional Superintendent is directly responsible to the Agent, the Administrative Head of the whole Railway, who has on his ' staff ' experts in the several branches of railway work, who would under a departmental system be called " the Heads of Departments." This is not the place to enter into a complete description of a Divisional organisation but while the above is a brief general outline of the system, which has been adopted extensively in America, South Africa and in other countries, it must be understood that, as applied to individual railways it takes forms differing considerably in detail. A form of Divisional organisation was introduced on the Great Indian Peninsula Railway in 1922 and another form was brought in on the North Western Railway in 1924 and shortly afterwards, in January 1925, on the East Indian Railway. These improvements in organisation were the administrative counterparts of the very fruitful change in the system of railway finance which, as we have

DIAGRAM.

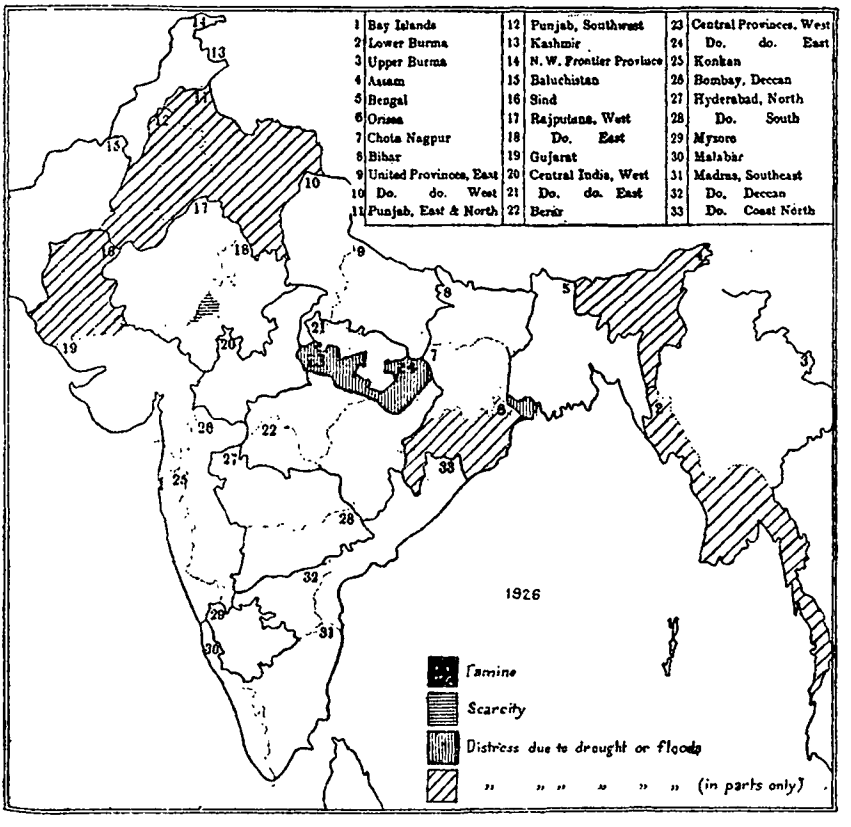

1 Bay Islands
2 Lower Burma
3 Upper Burma
4 Assam
5 Bengal
6 Orissa
7 Chota Nagpur
8 Bihar
9 United Provinces, East
10 Do. do. West
11 Punjab, East & North
12 Punjab, Southwest
13 Kashmir
14 N. W. Frontier Province
15 Baluchistan
16 Sind
17 Rajputana, West
18 Do. East
19 Gujarat
20 Central India, West
21 Do. do. East
22 Berar
23 Central Provinces, West
24 Do. do. East
25 Konkan
26 Bombay, Deccan
27 Hyderabad, North
28 Do. South
29 Mysore
30 Malabar
31 Madras, Southeast
32 Do. Deccan
33 Do. Coast North
1926
Famine
Scarcity
Distress due to drought or floods
" " " " " " (in parts only)

DIAGRAM.

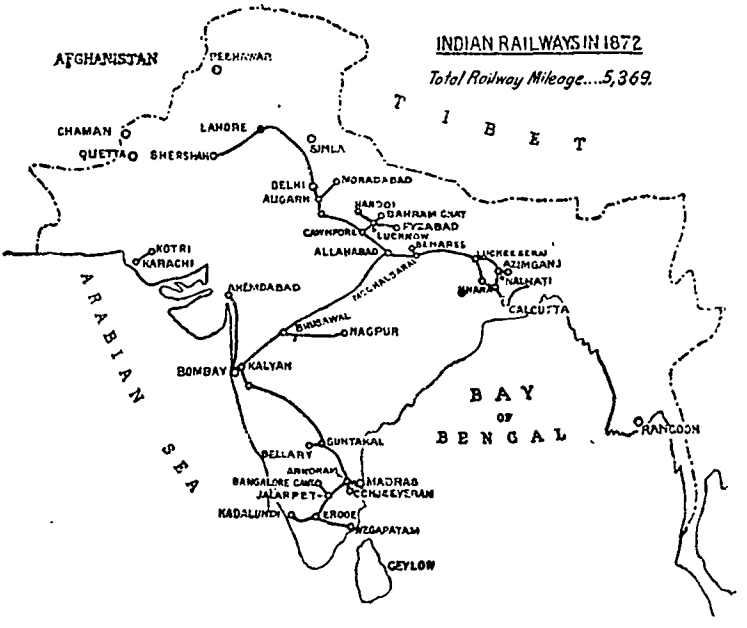
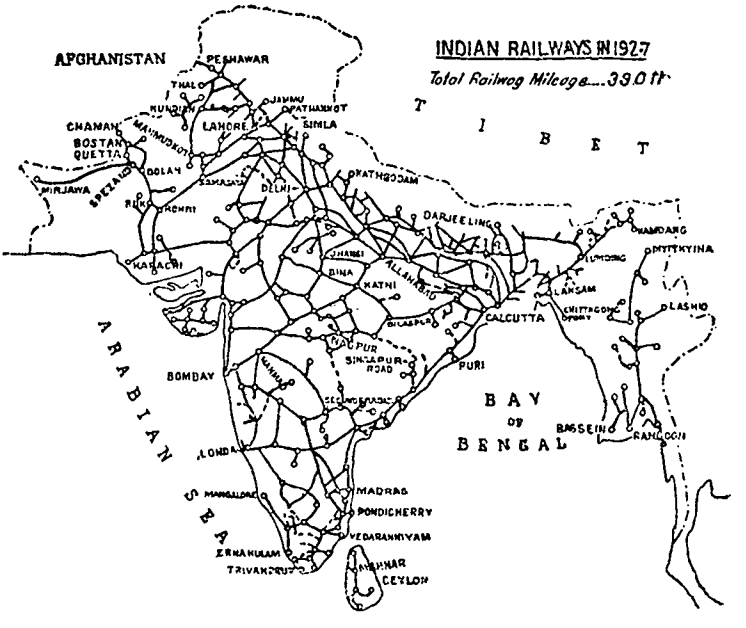


DIAGRAM.



already seen, resulted from the convention concluded in September, 1924, between the Government of India and the Legislative Assembly.

A glance at the maps on the opposite page will give some idea of the progress which has been made during the past century in the development of the Indian Railway system, and, it must be remembered, the pace of development has been increasing during the past few years helped by the thoroughly sound financial organisation described below, and is likely to develop with continually increasing momentum in the future. Up to end of March 1927 the total Capital at charge on all railways including those under construction amounted to Rs. 788·67 crores of which Rs. 701·07 crores was capital at charge on State-owned railways inclusive of premia paid in the purchase of companies lines. The remainder, 87·60 crores, represented capital raised by Indian States, Companies and District Boards. On the 31st March 1927, the total route mileage of Indian railways was approximately 39,048, consisting of 19,367 miles of broad gauge, 15,932 miles of metre gauge and 3,749 of narrow gauge. During the year under review 421 miles of new lines were opened for public traffic, whilst about 2,254 miles were under construction at its close. Of the total route mileage 28,004 miles or 71·7 per cent. are owned by the State and 15,745 miles or 40·3 per cent. are directly managed by the State. It would be absurd, of course, to contrast the railway mileage of agricultural India with her vast mountain ranges, great river estuaries, and widespreading deserts and barren places, with that of highly industrialised, compact England whose every square mile, almost, is made to contribute something to the national income. But when it is realised that Great Britain and Ireland, less than one-thirty-fifth of the area of India, have 24,000 miles of railway it is clear that there is both scope and need for as rapid an extension as possible of the Indian railway system.

That the Government of India recognises this need and is doing all in its power to meet it is made clear by the following facts. The capital expenditure to be devoted to the construction of new lines during 1927-28 is Rs. 762 lakhs (at the present rate of exchange, a lakh of rupees is equal to £7,500 sterling). During the year under review, the Railway Board have made a distinct advance in organising the programme of future work and have been able to make a number of technical improvements which will simplify

the preparation and execution of new construction projects. Also, a regular procedure has been devised for periodical consultation with provincial governments regarding local needs for new communications, and in their active policy of new construction the Railway Board are receiving the closest co-operation and assistance from all Provincial Governments. The Government of Burma in particular have been very helpful in assisting the Railway Board to work out their programme and speed up the construction of lines which have the primary object of developing the backward areas of this province. During 1927-28, 650 miles of railway will be under construction in Burma out of their total programme of 1,636 miles. As a result of all their work of preparation, examination, and consultation, the Railway Board have been able to put forward a concrete programme of construction work which promises not only an early considerable addition to railway mileage in India but also steady additions from year to year for many years to come. The programme of construction during the year may be summarised as follows. It is expected that during 1927-28 about 100 new projects will be in hand, costing about Rs. 60 crores (1 crore equals 100 lakhs) and amounting to 4,640 miles. The mileage which will be completed during the year 1927-28 is expected to total between 900 and 1,000 miles provided that reasonable progress is assured and no serious hindrances occur. Unless the present programme of the Railway Board comes in for drastic revision from financial or other causes, there is no reason to anticipate any serious dropping off from this figure of approximately 1,000 miles as the annual addition of new railway mileage for some years to come.

One feature of the Board's programme stands out prominently, and this is the absence of ambitious projects of trunk-line construction. The explanation is that India is already well served by trunk lines which follow the outlines of a railway system laid down for her by Lord Dalhousie in the fifties of last century. He foresaw a system of trunk lines connecting the interior of each Presidency with its outlying parts and the different Presidencies with each other. This scheme was to include a trunk line from Calcutta to Lahore, another from Bombay to the North-West of India, another from Madras to Bombay, and a fourth from Madras to the Malabar Coast. Building on that main skeleton a large number of subsidiary trunk lines have been added from

time to time and there are now only a few gaps left in the main net-work. The important gaps still to be filled are not in fact more than 4 or 5, and of these, three are in progress of being filled, one by the Central India Coalfields Railway which will cross the gap lying between the East Indian and Bengal Nagpur Railways in Chota Nagpur and the Central Provinces, another by the Raipur-Parvatipuram line which will complete the link between the Central Provinces and the East Coast, and the third by the Kazipet Bellarshah Railway now being built by His Exalted Highness the Nizam's Government which will effect a saving of some 200 miles in the journey between Madras and Northern India. There are two other main trunk routes to be constructed before it can be said that the main net-work of trunk lines is completed. One is the Bombay-Sind connection, and the other is the broad gauge connection between Karachi and the United Provinces. The former, because it is to some extent short-circuited by an easy sea-route, has never been considered a very promising undertaking from the financial point of view, but it is believed that its construction will become a matter of some importance as the effect of the contemplated extensive irrigation operations in Sind is felt in increased production. The Government are, therefore, having its financial prospects re-examined, and in order to complete their knowledge of the topography of some of the uninhabited country which has to be crossed, an aeroplane survey is to be undertaken shortly. As regards the broad gauge connection between Karachi and the United Provinces, it is felt that the time is not ripe for undertaking the expenditure involved. There are two reasons for this, first that a metre gauge connection exists, which is not seriously overstressed with traffic, and secondly, that there is greater need for using such funds as are available for remunerative branch and feeder lines elsewhere. To this category of main lines may perhaps be added the proposed connection between India and Burma, regarding which a recent investigation of the possibility of discovering a more favourable route through the Arakan mountains has proved unfruitful, and the Government are therefore left with the two routes formerly surveyed, neither of which can at present be regarded a remunerative proposal.

The key-note of the programme, to which the Government of India are now working, is the filling in of the interstices of the net-work of trunk lines with useful branches and feeders so that

the benefits of railway service may be brought right to the doors of the agriculturists and the rural population. It will be seen that omitting the two main connections already referred to, namely, the Raipur-Parvatipuram line and the Central India Coalfields Railway, the Government have in their programme nearly 100 projects which average not more than 49 miles apiece and the longest of which is about 100 miles. These are in fact lines designed primarily to serve the interests of the agriculturist and to enable produce to be moved and marketed. The programme may, therefore, be described as an agricultural railway programme. But to fulfil this character it has been necessary to devise cheaply constructed lines, because construction to the ordinary standards would have meant either that the lines did not earn a fair return on their capital, or that they imposed an insupportable burden on the carriage of produce and passengers in the very places where they wished to encourage traffic. Whether these new lines with their low speeds and low standard of amenities will escape severe criticism remains to be seen, but if they are successful they will pay for gradual improvement up to the standard of the older lines.

In addition to their expenditure on new construction the Railway Board and the Agents of the different railways are undertaking more outlay on improvements in open line facilities, which includes large sums for the improvement of rails and sleepers, for the re-modelling of station yards and marshalling yards, and for electrification. During 1927-28 no less than $2\frac{1}{4}$ crores of rupees are to be expended in improving the standard of comfort for lower class passengers, attention being paid particularly to water supply, waiting rooms and halls, refreshment rooms, booking arrangements, sanitary arrangements and improvements to coaching stock.

The foregoing discussion will enable the reader to understand something of the scope and objects of the Government of India's railway policy, and it is clear that the reproaches which have so often been levelled in the past against that policy will lose their force year by year. The Government of India's achievements in this matter of the improvement and development of the Indian railway system will also be more adequately appreciated when it is realised that they are the achievements of the Government. We have seen that no less than 71·8 per cent. of the total route mileage of Indian railways are owned, and 40·2 per cent. are

directly managed by the State. The effort of financing, controlling, and developing the railways of India falls very largely, therefore, on the Government, and through its Railway Board it controls the policy of construction and developments throughout the whole of India.

After this general survey we may now turn to the work of the year under review and here we may notice a reduction, doubly welcome in these post-war days, in passenger fares. The strengthening of the financial position which has resulted from the separation of Railway from General finances and profitable working in 1923-24 and 1924-25 enabled the majority of railways to consider reductions in passenger fares, with the result that three railways, namely the Bengal-Nagpur, East Indian, and South Indian made certain reductions during the year 1925-26. In 1926-27 further reductions took place on the Bombay, Baroda, and Central India, and on the Burma, Great Indian Peninsula, Madras and Southern Mahratta, South Indian, East Indian, and North-Western Railways. These reductions in respect of first and second classes generally amounted to about 25 per cent. over varying distances short of 300 miles, whilst reductions in third class fares amounted to between 12 per cent. and 14 per cent. over distances from 50 to 300 miles, and from 14 per cent. to 30 per cent. over longer distances. Another development during the year has been the creation of a Rates Advisory Committee. In their terms of reference the Acworth Committee were directed to report *inter alia* " whether the present system of control by Government of rates and fares and the machinery for deciding disputes between Railways and traders are satisfactory, and if not to advise what modifications are desirable ". The Committee recommended the establishment of a Rates Tribunal to adjudicate upon disputes between Railways and the public in the matter of rates and fares levied by the former. After careful consideration it was decided, with the sanction of the Secretary of State, to set up a Rates Advisory Committee consisting of a President, one Member representative of Commercial interests, and one Member to represent Railway interests. The Committee was accordingly constituted, with effect from the 1st April 1926, to investigate and make recommendations to Government on the following subjects:—

(1) Complaints of undue preference.

(2) Complaints that rates are unreasonable in themselves.

(3) Complaints or disputes in respect of terminals.
(4) The reasonableness or otherwise of any conditions as to the packing of articles specially liable to damage in transit or liable to cause damage to merchandise.
(5) Complaints in respect of conditions as to packing attached to a rate.
(6) Complaints that Railway Companies do not fulfil their obligations to provide reasonable facilities under Section 42 (*3*) of the Indian Railways Act.

Sir Narasimha Sarma, lately Law Member of the Executive Council of the Governor-General, agreed to serve on the Committee as President, and Mr. S. D. Manson who was working as Director of Traffic with the Railway Board was appointed as the Railway Member. It was also decided to select the commercial representative for individual investigations from a panel consisting of members nominated by the various Chambers of Commerce and Trades Associations.

It was first laid down that applications for a reference to the Committee should be addressed to the Agent of the Railway concerned with a deposit of Rs. 100 and that within 3 months of the receipt of such application the Agent should prepare a statement of the case and submit it with his observations thereon to the Railway Board. In the light of the experience gained and on the recommendation of the Rates Advisory Committee, the Government of India reviewed the above procedure and decided that in future applications should be submitted direct to the Railway Department of the Government of India, copies being forwarded to the Agent of the Railway concerned, that the deposit of Rs. 100 be reduced to Rs. 10, and that the period of 3 months allowed to the Agents of Railways for the submission of the statement of their case be curtailed to 2 months. The revised procedure was introduced with effect from the 24th January 1927.

Complaints submitted to the Committee were slow in coming in, but by the end of March, 1927, 15 cases had been submitted out of which six have been referred to the Committee.

In last year's report an account was given of the efforts which were being made to relieve the congestion of passenger traffic round Bombay by electrifying certain portions of the railway system in that area. So far, the Bombay electrification scheme is the only one which has been taken in hand, but certain other

schemes are under consideration. The schemes for electrifying railway lines in the Bombay area which are now in hand comprise, on the Great Indian Peninsula Railway, the suburban lines up to Kalyan and the main lines to Igatpuri and Poona; on the Bombay, Baroda and Central India Railway, the suburban lines between Church Gate and Borivli, and the main line between Grant Road and Bandra. The work on the Great Indian Peninsula Railway has reached an advanced stage and electrified services have already been opened between Victoria Terminus and Kurla and Thana *viâ* the Harbour Branch and between Victoria Terminus and Bandra. These services have become highly popular and promise to be entirely successful.

With a view to inaugurating electrified services on the whole of these sections as early as possible the work on the uncompleted portion of the schemes is being vigorously pushed forward. By the opening of these electrified services not only will Bombay derive a great benefit in the matter of a better distribution of its population but a considerable reduction in the operating expenses of the railway will be effected.

Investigations regarding the electrification of suburban lines in the vicinity of Calcutta and Madras were also completed during the year. The results of these investigations are at present under consideration. Proposals for the electrification of the Trichinopoly-Madura and other sections of the South Indian Railway have also been under consideration by the Railway Board in view of the possibility of the supply of cheap power from hydro-electric sources. The investigation of hydro-electric schemes in the Madras Presidency was completed during the year and the results of these investigations were under discussion with the Government of Madras at the end of the year. Here it may be interesting to notice some of the financial results of electrification in the Bombay area. The section between Victoria Terminus and Kurla, a distance of $9\frac{1}{2}$ miles, was electrified with effect from February 5th, 1925, and it has been reported that by January, 1927, the train miles on the section had increased seven-fold and passenger traffic and earnings were twenty times as great as in the period before February, 1925. On February 3rd, 1926, the electrification of the Mahim chord, an addition of $2\frac{1}{2}$ miles was completed and the whole of the Harbour Branch railway was operated by electric service. A comparison between the statistics of January, 1926, with those of October,

1926, shows that the train miles have increased four-fold, the passenger traffic has doubled and that earnings have trebled.

Apart from electrification, many important open-line works were undertaken during the year and amongst those on which good progress was made may be mentioned the following:—

(1) Elimination of the reversing station at Bhor-Ghat, Great Indian Peninsula Railway, between Kalyan and Poona.

(2) Mahalakshmi Overbridge at Bombay (Bombay, Baroda and Central India Railway).

(3) Quadrupling between Bandra and Grant Road (Bombay, Baroda and Central India Railway).

(4) Provision of additional tracks and improved facilities on the Madras Suburban Section of the South Indian Railway.

(5) The doubling of the Grand Chord of the East Indian Railway is nearing completion.

(6) Good progress was made with the work on the Vizagapatam Harbour Construction during the year.

The whole question of the capacity of the workshops of the State Railways and the possibility of their re-organisation and improvement on co-ordinated lines was investigated during the cold weather of 1925-26 by the State Railway Workshops Committee, an expert committee presided over by Sir Vincent Ravan, formerly Chief Mechanical Engineer, North Eastern Railway, England. The results of this investigation have indicated the imperative necessity, at any rate for some time to come, for heavy expenditure on the remodelling and improvement of State Railway Workshops in general. The recommendations of the Committee concerning the lines on which re-organisation and improvement should proceed have been examined and, in the main, accepted by the Railway Board. These recommendations with the Railway Board's views thereon have been communicatied to the Railway Administrations concerned and a special officer has also been appointed to see that effect is given to them as early as possible.

The most important schemes of workshop construction and remodelling on which work was in progress during the year under review were as follows:—

(1) Kanchrapara-Remodelling of Loco.-shops and machinery (Eastern Bengal Railway).

(2) Dohad-New Loco.-shops (Bombay, Baroda and Central India Railway).

(3) Perambur-Remodelling of shops (Madras, and Southern Mahratta Railway).

(4) Lucknow-Extension to Loco-shops (East Indian Railway).

(5) Trichinopoly-New Workshops (South Indian Railway).

As in other countries, road motor traffic is now entering into competition with Indian Railways in certain localities. The existing motor services are however practically all in the hands of small owners, and, owing to the unreliability of their services and want of capital, the effect of their competition on Railway earnings has not yet been serious. At present the motor services have tended to become feeders to, rather than competitors with Railways, except where the road journey materially short circuits the rail route as between Kohat and Peshawar, Kohat and Bannu, Poona and Ahmednagar. In places where competition does exist, it is being met by alterations in train services, by increasing the number of stoppages wherever this is feasible, and by the running of light trains or self-propelled units such as rail motors or sentinel coaches.

As a result of experiments on existing girders in use on 5′ 6″ gauge railways in India carried out by the Indian Railway Bridge Committee over a period of about 4 years, and as a result also of the labours of another Committee which was appointed in 1925 and which studied and drew conclusions from the results of the experiments carried out by the previous Committee, it has been found possible to introduce revised rules governing the designing of bridge girders for 5′ 6″ gauge railways, and regulating their loads. Among other changes introduced, the allowance to be made for the impact effect of a moving load running over a girder at high speed has been appreciably reduced. As a result of this change many existing girders which would have required renewals under the old rules can be kept in use; some existing girders over which the speed of trains has been restricted in the past will be permitted to take the same train-loads without restriction of speed in future; and on other bridges, greater loads than were permissible under the old rules will be permitted to run at unrestricted speed over the existing girders. Moreover, all new girders will be lighter and therefore cheaper than if the rules

had not been revised. The Railway Board's Bridge Standards Committee carried out experiments during the year on existing girders on metre gauge railways in India, as a result of which it is hoped to revise the rules governing the designing of metre gauge girders also.

Another very interesting development which deserves to be noticed in this report has taken place during the year in Railway Publicity. In other countries it has been recognised that publicity plays a very great part in attracting business to Railways, but in India, little attention has hitherto been given to it except on the Great Indian Peninsula Railway which, in co-operation with the Canadian Pacific Railway successfully attempted by means of pamphlets and advertisements to attract American tourists to India. Their publicity efforts not only added to the earnings of the Railway but also helped the business of the country generally. Their work was however directed towards attracting upper class tourist traffic, but now publicity methods have been adopted to appeal to the large bulk of the people of India from whom the Railways obtain their most paying business. The people are largely illiterate and the circulation of papers and handbills, even in the vernacular, or advertisements in the press, scarcely touches them. Therefore, in order to reach this class, the Great Indian Peninsula Railway's Publicity Bureau introduced in November 1925 a travelling cinema which gives exhibitions in the open air, showing films of fairs and festivals and so on. The Railway Board considered that it was advisable to develop the system introduced on the Great Indian Peninsula Railway and to extend it to the other three State-worked Railways. After full discussion with the Agents of State-worked Railways it was decided to establish Publicity Bureaux on the North Western, East Indian, and Eastern Bengal Railways. Sanction was accorded to the creation of a post of Publicity Officer for each of the three Railways, for three years in the first instance, with a requisite staff of photographers, cinema operators, clerks, menials, etc. The necessity for a central organisation to co-ordinate and direct the methods on the several Railways has also been recognised by the Board, and the Board have sanctioned a temporary post of Chief Publicity Officer for a period of three years from March 1st, 1927. His Headquarters will be at Bombay. The new business that this publicity propaganda is expected to bring to the Railways will ultimately be

The following table shows the distribution of the number of Railway employees on 31st March 1925 and 1926, among the various communities :—

Year.	Europeans.	Statutory Indians.				Grand Total.
		Hindus.	Muslims.	Other classes.	Total.	
1924-25	5,567	542,430	164,389	32,830	739,649	745,216
1925-26	4,986	534,474	166,365	36,035	736,874	741,860

very valuable, and the expenditure incurred will be small in comparison to the extra earnings. Moreover the Publicity Bureau will be in charge of the work connected with public advertising on Railway property, and it is anticipated that the income from this source alone will more than cover the expenditure on the establishment charges of the Bureau on most of the Railways.

Something has already been said in an earlier chapter about the attention devoted to the Indianisation of the railway services. The actual figures of European and Indian employment are shown in the diagram on the opposite page. The Railway Board are fully alive to their responsibilities in this matter and as far as the State Railways are concerned they have already done much to extend training facilities which are an essential preliminary to the Indianisation of the services. The various Railway Companies managing State and other Railway lines have also followed the lead given by the Government and have accepted the recommendations of the Lee Commission that the extension of existing training facilities should be pressed forward as quickly as possible so that recruitment in India may be advanced as soon as practicable up to 75 per cent. of the total number of vacancies in the Superior Railway Services.

The Secretary of State's approval to the schemes of recruitment and training of superior officers of the State Railways in the four main branches of the services, namely Civil Engineering, Transportation, Commercial and Mechanical Engineering, were received during the year and Regulations for recruitment to these services were issued in July 1926. Schemes of recruitment for the Electrical Engineering and Signal Engineering Departments have been drawn up and submitted to the Secretary of State in Council. Schemes for other branches of the service are still under consideration. Certain Company-worked Railways have expressed their desire to join the Railway Board in their schemes of recruitment, and others in their schemes for training Superior Railway Officers.

The extensive programme of new construction on which a start is now being made calls for the employment of a large number of engineers over and above the regular Engineering staff employed by railways. Many Indian youths who have qualified as Civil Engineers from Colleges or Institutions in Great Britain or in India have difficulty in obtaining that initial practical experience which

is an essential complement to their college course before they can be considered competent to practise as engineers. The Railway Board have therefore decided to take up to 17 students annually and give them practical training on railway construction for one year. The facilities for practical training thus granted to the students will not give them any claim to appointments on railways either permanent or temporary but they will be granted a stipend of Rs. 100 a month whilst under training. Of the 17 student-engineers, 9 will be taken from Indian colleges and 8 from amongst those who have qualified from British colleges or institutions.

The provision of an institution to give practical training to junior officers on railways has been a long-felt need. The Railway Transportation School at Chandausi, which was intended for the training of subordinates only, could not be suitably extended to provide a college for officers nor could it afford the facilities necessary for their purpose. The Railway Board have, therefore, decided to establish a Railway Staff College at Dehra Dun, a place eminently suited for the purpose owing to its climate, situation and proximity to other similar institutes like the Forest Research Institute and the Prince of Wales' Royal Indian Military College. The lay-out of the Railway College is under preparation and it is expected that work on it will soon be started. The scheme is estimated to cost about Rs. 20 lakhs.

But whilst all this attention has been given to the recruitment and training of the higher branches of the services, the training of subordinate staffs has not been overlooked. The more important railways either have, or are developing, schools for training their subordinate staffs. During the year under review considerable progress was made with the improvement of the training school for the North-Western Railway at Lyallpore. A temporary training school for the Great Indian Peninsula Railway has been established at Bina and a scheme for starting a similar school at Gomoh on the East Indian Railway is being considered. These schools will provide classes to train probationers in the subordinate ranks before they are allowed to take up regular duties, and members of the subordinate staff to enable them to qualify for promotion to the upper grades. In addition to these classes separate refresher classes will be provided through which the subordinate staff will be passed at specified intervals.

Civil Aviation is not yet a factor in Indian communications, but, as the description of the debate on this subject in the Legislative Assembly during the Delhi Session has shown, the Indian Government and Legislature are not forgetful of the desirability of moving abreast of other countries in this matter, and the appointment has now been made of a Director of Civil Aviation in India. Rapid progress is being made in the establishment of the air-ship base at Karachi in connection with the Imperial Air-ship scheme and it is hoped that experimental flights to India will take place in 1928. The Government of India are also helping in the establishment of the aeroplane service from Egypt to Karachi by providing the necessary aerodrome at the latter place including a hanger and its subsidiary services. They have also made arrangements for the requisite meteorological and wireless facilities. Three of the Air Liners to be employed on this route left England towards the end of the year, and as we have seen, keen interest was evinced in the inaugural flight to India by Sir Samual Hoare, the Secretary of State for Air. The service will operate between Cairo and Basra in the first instance, and will be extended to Karachi when a suitable route along the Persian Gulf has been laid down.

It is hoped in the near future to acquire the site selected for the seaplane base for the Calcutta-Rangoon service, at Monkey Point, Rangoon. Owing to certain technical objections the site selected for the seaplane base in Calcutta has been abandoned and the question of an alternative site is under consideration. The acquisition of sites near Bombay and Calcutta for subsidiary air-ship bases has also been decided upon, subject to the provision of the necessary funds.

The next link in the chain of Indian communications is the Posts and Telegraphs Department, which, in addition to its primary function of providing the Indian public with easy and rapid means of intercourse, is, owing to its ubiquity, called upon to act as the agent of the Government in carrying out other essential services not directly connected with its basic activities. It acts as the banker and agent of the people, enabling them to do their shopping from all distances. It collects customs charges on dutiable articles coming to India by post. It insures the lives of Government employees; and it pays the pensions of retired officials of the Indian Army. It is the custodian of Postal and Telegraphic

Stores held in reserve for purposes of Military mobilization, and finally, among a host of miscellaneous activities it sells quinine. The extent to which these useful functions are carried on may be estimated from the fact that in November 1926, there were nearly 21,000 post offices in India with more than 1,07,527 postal officials and over 1,58,700 miles of mail lines.

In pursuance of the policy of extending postal facilities in rural areas, 707 experimental post offices were opened during the year 1925-26. At the end of that year, of the total of 20,108 post offices in existence, 15,675 were in rural areas, while, out of a total of 52,665 letter boxes, 36,638 were situated in such areas. So far as telegraph facilities generally are concerned, in addition to 163 telegraph offices proper, 3,688 of the post offices in existence at the end of the year 1925-26 were combined post and telegraph offices, while 3,686 offices were receiving offices for telegrams which could be booked there for transmission to the nearest telegraph office.

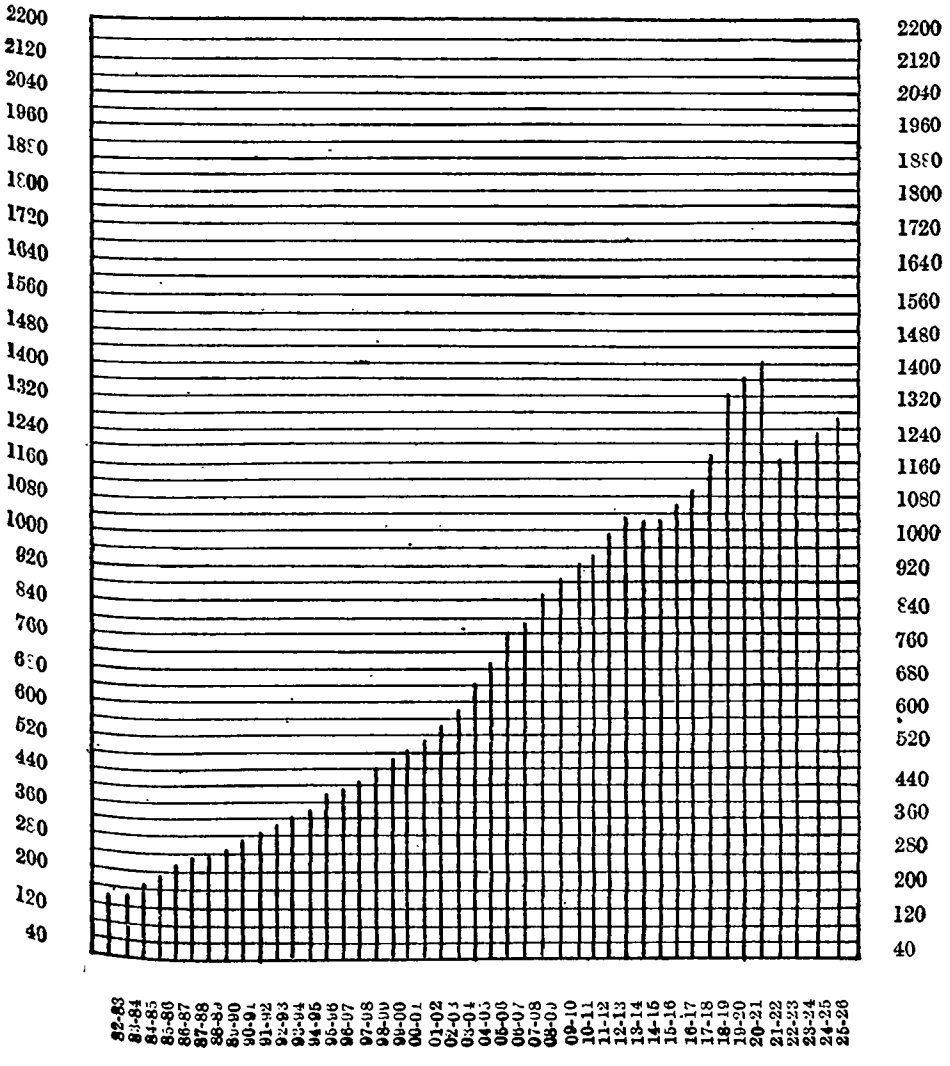
Of the total length of 1,58,694 miles of mail lines, motor mail services, which began with a length of 356 miles in 1914-15, embraced 6,883½ miles. The Department avails itself of every opportunity to utilise the more rapid means of transmission afforded by motor transport wherever this can be done at little or no extra cost by co-operating in combined mail and passenger services.

During the year there has been steady progress in all branches of postal business. 1,273 million articles including 542 million letters, 551 million post-cards, 77 million registered newspapers, 87 million packets and 16 million parcels were posted, an increase of 29 million articles over the figures for 1924-25. About 36 million money orders of the total value of Rs. 880 millions were issued and a sum of Rs. 11 millions was realised as commission.

Delivery which is the principal work of the Department, and by which it should mainly be judged, shows that out of about 1,309 million articles, including money orders, which were posted during 1925-26, 99·94 per cent. were actually delivered or paid. The percentage of articles which the Department failed to deliver is ·06, the lowest on record since 1915-16. This percentage includes a large number of articles which could not possibly be delivered. In Bengal, Bombay and Madras alone an average of 102 articles were posted *every day* with no address whatever.

DIAGRAM.

Diagram showing growth of Postal Traffic since 1882-83—All Articles.



The limit of weight of parcels exchanged with Iraq, the Federated Malay States, the Straits Settlements, Siam, France and Switzerland has been raised to 20 lbs. The value payable system has been extended to parcels exchanged with Johore. The money order service with Syria has been resumed. The telegraphi· money order service has been extended to Kedah. A direct money order service has been established with the Irish Free State.

A new epoch is approaching in the history of communications between India and the West with the proposed extension to Karachi of the Cairo-Basrah Air Mail Service, whereby a saving in time to London is expected to result of about 7 days for Karachi, 5 days for Lahore, 3 days for Lucknow, 2 days for Bombay, 2 to 3 days for Calcutta and 2 days for Madras.

The total aerial line and cable mileage at the end of the year 1925-26 was 96,578 carrying 494,786 miles of wire. The total cable mileage at the end of the year was 1,020 carrying 75,360 miles of cable conductors.

The value of stores purchased locally rose from Rs. 12,04,000 in 1924-25 to Rs. 15,60,000 in 1925-26. At the same time the value of stores obtained by direct indent upon England fell from Rs. 18,51,000 in 1924-25 to Rs. 13,39,000 in 1925-26. The local purchase includes such important articles manufactured in India as hard-drawn copper wire, glass battery jars and insulators.

The Baudot system continued to give satisfaction during the year. The quad or fourarm Baudot working was introduced between Calcutta and Madras.

The Murray or Mechanical Baudot system of working was extended during the year to the following circuits:—

Bombay-Nagpur.

Bombay-Delhi.

The growth of the Telephone Branch continued. On the 31st March 1926, the total number of telephone exchanges owned and maintained by Government was 250 with 15,926 connections. In addition there were 20 Licensed Telephone Exchanges with 28,189 connections.

Great progress has been made in establishing Automatic Telephone Exchanges in the Department, and the number of such exchanges has increased from 2 in 1920-21 to 22 at the close of

the year under review. The Licensed Telephone Companies have also remodelled their systems at Calcutta and Rangoon from Magneto to Central Battery and at Madras and Bombay from Manual to Automatic.

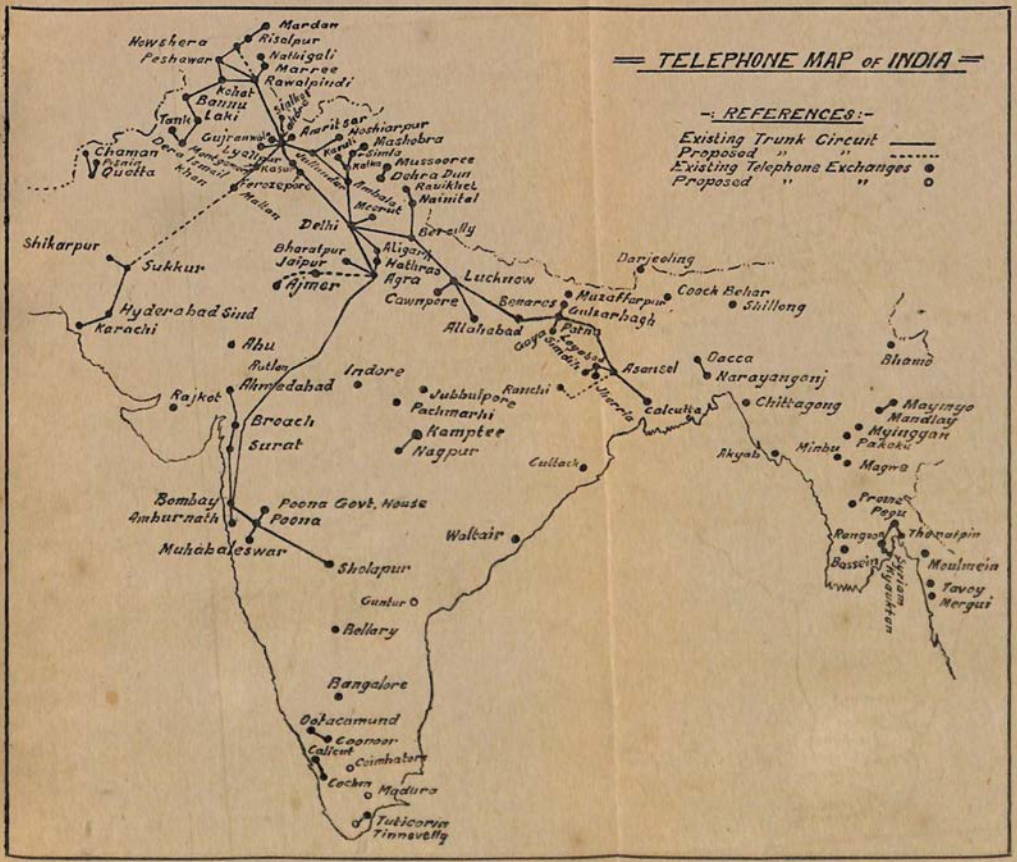
Considerable extensions have also been made in the Trunk Telephone Lines, and the following new Trunk circuits were opened:—

Mandalay-Maymyo.
Pegu-Thanatpin.
Rangoon-Syriam.
Syriam-Kyauktan.
Lahore-Sialkot.
Patna-Gaya.
Calcutta-Patna.
Patna-Benares.
Lucknow-Benares.
Agra-Delhi.
Agra-Bharatpur.
Kathgodam-Naini Tal.
Quetta-Pishin.
Karachi-Hyderabad (Sind) Sukkur.
Sukkur-Shikarpur.

Experiments were made during the year and are still in progress for the introduction of *composite working* (*i.e.*, simultaneous telegraph working on each wire of a telephone loop).

The revised estimate of gross receipts of the Indian Postal and Telegraph Department during the year 1926-27 amounts to Rs. 10·51 crores which is higher by about Rs. 30 lakhs than the actual gross receipts of 1925-26. The revised estimate of working expenses for 1926-27 is Rs. 10·05 crores which is higher than the actual working expenses of 1925-26 by Rs. 67 lakhs. Taking into account the interest charges which the department has to pay for its capital assets, the revised estimates indicate that there will be a net loss of Rs. 7 lakhs on the working of the department for the year 1926-27 as compared with a net profit of Rs. 37 lakhs in 1925-26.

DIAGRAM.



TELEPHONE MAP OF INDIA
-: REFERENCES :-
Existing Trunk Circuit
Proposed " "
Existing Telephone Exchanges
Proposed " "
Mardan
Risalpur
Nathigali
Marree
Rawalpindi
Nowshera
Peshawar
Kohat
Bannu
Laki
Tank
Gujranwala
Amritsar
Hoshiarpur
Mashobra
Simla
Kalka
Mussooree
Dehra Dun
Ravikhet
Nainital
Chaman
Pishin
Quetta
Dera Ismail Khan
Ferozepore
Mallan
Ambala
Meerut
Delhi
Bareilly
Shikarpur
Sukkur
Bharatpur
Jaipur
Ajmer
Aligarh
Hathras
Agra
Cawnpore
Lucknow
Benares
Muzaffarpur
Gulzarbagh
Darjeeling
Cooch Behar
Shillong
Hyderabad Sind
Karachi
Allahabad
Patna
Gaya
Simdih
Asansol
Dacca
Narayanganj
Bhamo
Abu
Rutlam
Ahmedabad
Indore
Jubbulpore
Ranchi
Jharria
Calcutta
Chittagong
Maymyo
Mandlay
Myinggan
Pakoku
Rajkot
Broach
Surat
Pachmarhi
Kamptee
Nagpur
Akyab
Minbu
Magwe
Cuttack
Bombay
Amburnath
Poona Govt. House
Poona
Waltair
Prome
Pegu
Rangoon
Thonatpin
Bassein
Moulmein
Tavoy
Mergui
Muhabaleswar
Sholapur
Guntur
Bellary
Bangalore
Ootacamund
Coonoor
Calicut
Coimbatore
Cochin
Madura
Tuticorin
Tinnevelly

Excluding abnormal non-recurrent items the normal net profit for 1925-26 is approximately Rs. 22 lakhs. The apparently falling off in the prosperity of the department during 1926-27 is attributable partly to heavy expenditure on new measures designed to improve the conditions of service of the staff and partly to the disappointingly small improvement in revenue owing to trade depression.

The wireless station at Karachi has been remodelled and a continuous-wave set has been installed; this set will provide communication both by telegraph and by telephone with aeroplanes and airships for Civil Aviation purposes. Satisfactory tests were carried out and this installation was used for communication with the first " Hercules " Air Liner " City of Delhi," which arrived at Karachi in January 1927, and left in February. In connection with this project the wireless receiving installation at Karachi is being transferred to a site near the civil aerodrome, and will also provide a direction-finding service for ships and aircraft.

Considerable progress was made with the new coast station at Bombay, which is in course of construction near Santa Cruz and will replace the present station at Butcher Island. A direction-finding installation will be included.

New continuous-wave installations are being erected at Allahabad, Lahore and Quetta in connection with the re-modelling of those stations.

Wireless communications between Peshawar and Kashgar have been carried out satisfactorily and the service is now available for private as well as official telegrams.

The direct wireless service between Madras and Rangoon showed an improvement in working over the previous year, and proved extremely valuable on occasions when the land-line routes between India and Burma were interrupted.

An experimental direction-finding station was erected on Saugor Island at the Mouth of the River Hooghly, on behalf of the Commissioners for the Port of Calcutta. Wireless bearings furnished by this station to ships entering and leaving the river have been very satisfactory and the question of erecting a permanent station is under consideration.

In order to reduce the shortage of wireless operators, a number of telegraphists were given wireless instruction at Calcutta and posted to various stations to obtain further experience.

The opening of the Imperial Wireless Station at Rugby at the end of 1925 caused a great improvement in the reception of the British Official Wireless messages. With very few exceptions, these messages were received regularly twice daily throughout the year and were forwarded to Messrs. Reuter's Limited for distribution to newspapers in India.

The Marconi " Beam " stations which the Indian Radio Telegraph Company has been constructing near Kirkee and Dhond, are approaching completion. These will provide direct high-speed communication between Bombay and London in conjunction with corresponding stations in Lincolnshire, which will be maintained and worked by the British Post Office. The charges for telegrams forwarded by this route will be much less than those by the existing routes.

After further negotiations, an agreement was concluded with the Indian Broadcasting Company covering the erection and working of stations for commercial broadcasting near Bombay and Calcutta in the first place. These stations are due to start work in June, 1927. In the meantime certain radio clubs are permitted to broadcast experimental programmes as a temporary measure.

In connection with wireless licenses, arrangements were made for Broadcast Receiver Licenses to be issued from all Head Post Offices in India. The number of Import (Wireless Telegraphs) Licenses increased considerably. Temporary Permits for the importation of wireless receiving sets were instituted and are now issued by Customs Officers at six ports, thus greatly facilitating the clearing of sets by passengers arriving at those ports.

The work of the Indian Meteorological Department is properly described in this chapter because of its very intimate relations with aviation and wireless. During the year under review the department has been much occupied in making internal changes in several respects. Action has been taken towards the transfer of headquarters from Simla to Poona; the organisation has been begun for Indian collaboration with Britain in Empire air-transport; the cyclone-warning duties for the Bay of Bengal, which had been brought up to Simla from Calcutta in 1922, following orders

for retrenchment, have been returned to Calcutta with an increase of responsible staff. The superior staff of the department has also been strengthened by the addition of 4 posts of Meteorologists and 3 of Assistant Meteorologists. The part time posts of Meteorologists at Calcutta and Madras were abolished.

In preparation for the removal of headquarters to Poona, a suitable site has been acquired and the construction of the buildings was started during the year. The removal will enable the Department to start on an active programme of investigation of upper-air characters and other matters which will enable the Government of India to give a full measure of aid to projects of Empire and internal Indian flying and of general improvement in weather forecasting within the country. The present position in regard to Empire flying is that India has undertaken to cooperate with the Cairo-Karachi aeroplane service to the extent of providing a meteorological station and responsible staff at the Karachi terminal. Their function at present will be to issue forecasts and reports on the final flying sector only, Karachi-Chahbar.

Following this aeroplane service there is to be the greater projected air-ship scheme, due to start, it is hoped, in 1928. The meteorological assistance to be rendered by India for this service is now under the consideration of the Indian Government.

In May 1925 the department was asked to undertake for the Air Ministry the exposure treatment of some 80 samples of airship fabric, intended for the hydrogen containing ballonets of the new airship. The object was to determine the relative suitability of the fabrics to withstand tropical conditions of temperature and humidity for prolonged periods with minimum deterioration in gas permeability. This work was done in Agra and took about seven months to complete; its value has been acknowledged by the Air Ministry.

The work of Agra and its few outstations on upper-air conditions has continued satisfactorily throughout the year, as also has that at the Royal Air Force stations at Quetta and Peshawar, under their Flight-Lieutenant Meteorologists. In view of the importance of the extension of Upper-Air Work, Government agreed to sanction a scheme for the establishment of 13 more Upper-Air Stations throughout India and at Aden and the Seychelles involving an additional recurring cost of about Rs. 1 lakh per annum.

The services of storm-warning to ports and shipping, and of flood warning to officers in the Irrigation, Railway and other Departments were carried out as usual, and were as satisfactory as present circumstances allow. Warnings for the Arabian Sea were issued for 39 periods of disturbed weather. They related to depressions forming in the Arabian Sea, squally weather due to advances of monsoon, winter disturbances passing eastwards across northern India, and depressions from the Bay of Bengal passing westwards through the central parts of the country to give squally weather in the north-east Arabian Sea. On four occasions the disturbances developed into moderate or severe storms. The warnings were in general timely and satisfactory, but in the case of the Arabian Sea storm, which passed from the neighbourhood of Ceylon to the Gulf of Aden between the 6th and 17th November, the exact location and intensity could not be ascertained during the period of four days from the 10th to the 13th owing to complete want of observations from the sea area involved. The storm was located again in the course of the 13th when it entered the region of shipping routes from Aden. Warnings for the Bay of Bengal were issued from Calcutta. During the year warnings were given for 25 periods of disturbed weather. The disturbances developed into moderately severe storms on 3 occasions and into a cyclone once. The warnings were, in general, timely and satisfactory.

Last year's report mentioned the inauguration of schemes of harbour development for Vizagapatam and Cochin. Good progress is reported to have been made during the year on both these schemes. At Vizagapatam the new harbour has been planned to allow of six docks with berths for about 50 steamers and accommodation in the basins for possibly another 20. But for the present it is proposed to build only a wharf 1,500 feet long capable of taking three or four steamers with moorings for 2 vessels in the harbour *plus* accommodation at the oil jetty for one oil tank or oil burning steamer. During the year under review work was in progress on the whole length of the wharf. The " Waltair " a rock breaker and dipper dredger was employed on dredging and the " Vizagapatam " a suction dredger has also arrived but unfortunately soon after she reached Vizagapatam at the beginning of March she was driven ashore by a storm the occurrence of which at that time of the year is almost unprecedented. The

"Vizagapatam" was refloated just before the close of the year under review, but the unfortunate accident which necessitated her removal to Calcutta for repairs, will probably cause some delay, in the completion of the scheme. Good progress was made on the land works. Some of the *bunds* were completed and the removal of the rock of Durga Hill was finished, thus rendering the area available for the re-modelling of the wharf station lines. The levelling and draining of the site for bungalows was nearly completed and a dispensary was opened. A malarial and a marine survey have also been undertaken.

Further progress has been made with the Cochin Harbour development scheme which contemplates in the first instance the provision of a channel across the bar at the mouth of the backwater to allow ocean going steamers access at all tides and in all weather conditions to the inner harbour. The dredging of the channel is now in progress, and if access through the bar can be established all through the year, a portion of the backwater will then be dredged.

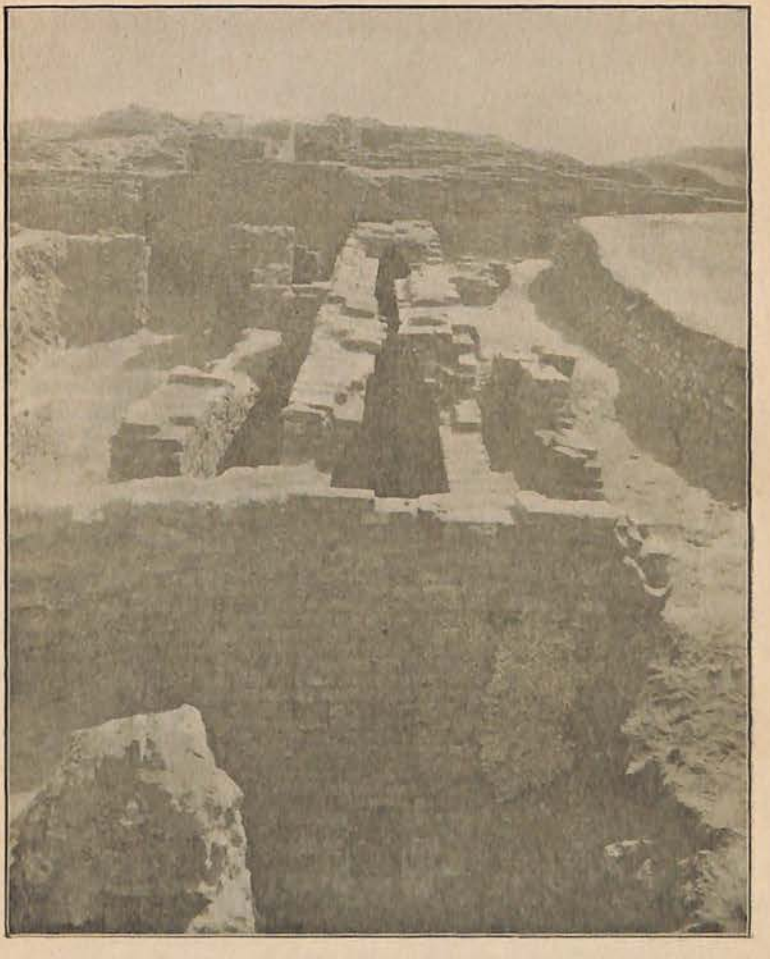
An Indian Lighthouse Bill which seeks to bring the administration of lighthouses, lightships and beacons directly under the Central Government, was introduced in the Council of State on the 11th February, 1927, and referred to a Joint Committee of the Council and the Legislative Assembly. It is hoped that the Bill will be passed into law at the next September Session. Meanwhile a Lighthouse Engineer was brought out from England to report on the condition of the lights on the Indian Coast and to make suggestions for their maintenance in good order on an economic basis. He was still engaged on his tour of inspection at the close of the year.

The Government of India have decided to utilise the Royal Indian Marine vessel "Dufferin" as a training ship for deck officers of the Indian Mercantile Marine and the necessary steps have been taken to refit her. It is hoped that she will be ready to take in cadets towards the end of the year 1927.

Three quarters of the work that devolves on the Archaeological Department is concerned with the preservation of ancient monuments and to summarise or review its many activities in this field, is beyond the compass of this brief review. In India the monuments of antiquity are to be numbered by thousands, and the task of

reclaiming them from the jungle, of making good the ravages of time or of beautifying their precincts is going on in every part of British India, as well as in many of the Indian States; nor does the public which has learnt to take a pride and delight in the monuments themselves care to pause and learn of the processes by which they are being saved to posterity or of the infinite labour and care expended upon them. On the other hand, the work which the Archaeological Department is doing in this field ought not to be passed over without a word as to its effect upon the education and welfare of the people. For the monuments of the past are not to be appraised merely for their historic or antiquarian interest; nor is their worth to be estimated by the crowds of wealth-bringing visitors whom year by year they attract from overseas. These constitute, no doubt, argument enough for the pains and money spent upon their preservation; but a stronger argument by far is the educative influence that they exert upon the people around them. Modern Indian architecture is for the most part decadent and meretricious a hindrance rather than an aid to aesthetic development; nor, with a few notable exceptions, do the European buildings in this country appeal to Indian sentiment or help towards raising the standard of public taste. For this reason the monuments of antiquity are an even more valuable asset here than in countries where architecture is still a living and flourishing art. That all classes of the community are now awakening to their value and are taking advantage of the amenities which their effective preservation affords, is increasingly evident; but it should be added that little disposition is yet apparent on the part of Indians to contribute either towards the repair of their ancient monuments or towards the exploration of buried remains.

As to this latter sphere of archaeological activity, the past year has been notable for many striking discoveries alike in the historic and in the prehistoric field. At Mohenjo-daro in Sind, the veil has been lifted still further from the remarkable civilisation which flourished on the banks of the Indus and its tributaries during the Chalcolithic age. In the uppermost of the several cities that succeeded one another on this site, building after building has been systematically laid bare and a singularly rich harvest of antiquities recovered from them. The visitor to Mohenjo-daro can now walk through the ancient streets of the city of some 5,000



MOHENJO-DARO: DRAIN IN A CORBELLED TUNNEL LEADING FROM THE GREAT BATH.

years ago, can observe their well devised system of underground drainage; can enter the dwelling houses of the inhabitants and reconstruct for himself a fairly detailed picture of their daily life, of their arts and their crafts, of the implements and utensils that they used, of their personal ornaments and even—with the help of the statues and skeletons brought to light—of the personal appearance of the people themselves. Owing to its close connection with the Sumerian civilisation of Mesopotamia, this newly revealed civilisation of the Indus valley has hitherto been designated by the name Indo-Sumerian. With the progress of exploration, however, it has become evident that this connection was due not to actual identity of culture, but to the intimate commercial intercourse between the two countries. The Indus culture, in fact, was as peculiar to the Indus valley and neighbouring tracts, as the Mesopotamian culture was to the valley of the Tigris and Euphrates. For this reason the explorers have now discarded the term Sumerian, and designate this civilisation simply by the name "Indus".

What has been done at Mohenjo-daro has been done also, though on a smaller scale, at Harappa, another city—or rather series of cities—of the Chalcolithic age, in the Montgomery District of the Punjab; and here, owing to the widespread destruction wrought in modern times among the uppermost strata of remains it has been easier for the excavators to penetrate to the earlier cities underneath, and to throw welcome light on some of the preceding stages of this culture. One of the minor finds at Harappa that deserves special mention was a copper vessel containing over ninety copper weapons and other objects, namely, celts, double axes, spear-heads, daggers, choppers and a mace and arrow-head. Three of these weapons, *viz.*, one dagger and two celts are inscribed with pictographic legends.

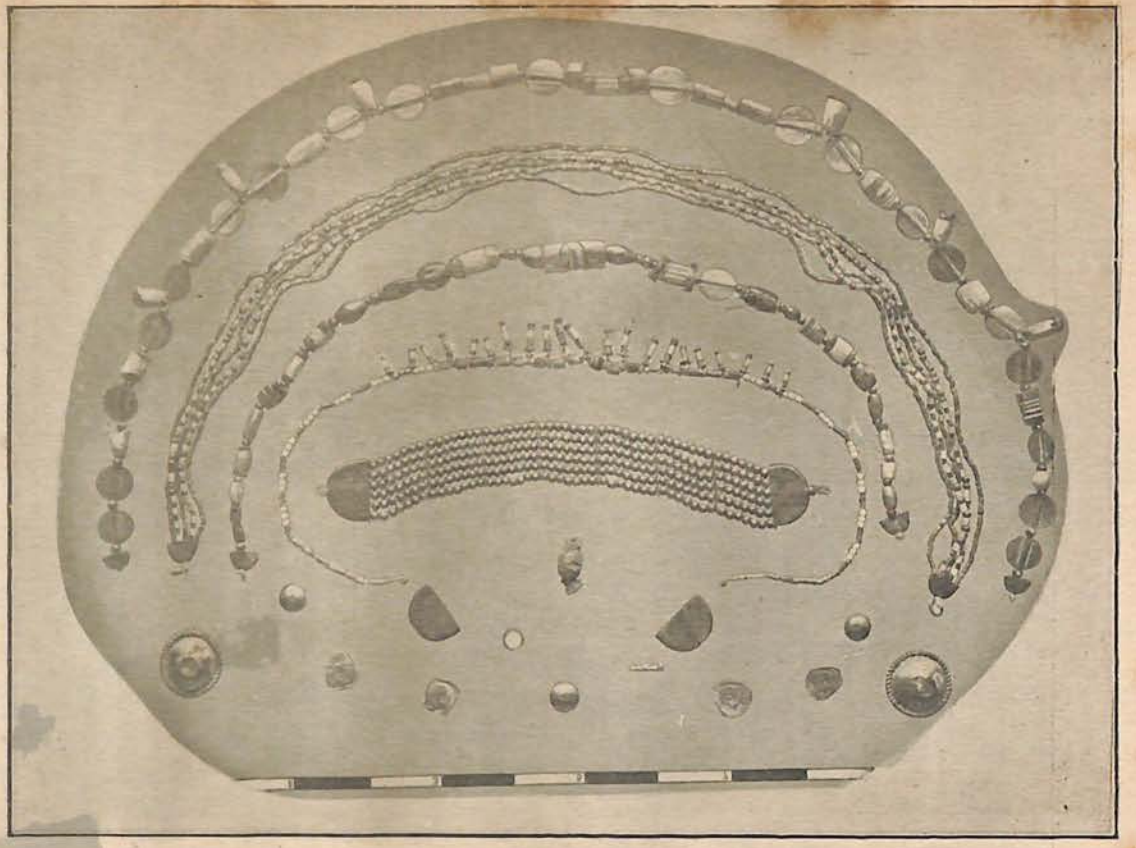
Simultaneously with the excavation of these two sites, a superficial survey was undertaken along that part of the North-Western Frontier which extends from south of the Kurram River to the Zhob and Loralai Political agencies and trial diggings were also carried on the banks of the Zhob River in Baluchistan. As a result of this survey abundant evidence was found of Chalcolithic settlements in these regions and interesting data were recovered regarding the burial customs in Vogue there.

Coming down to the historic period, a discovery that has already excited widespread interest was the location of the famous mountain of Aornos, which Alexander the Great captured on his way into India proper. This mountain fastness has now been identified with the high and precipitous ridge of Pirsar abutting on to the right bank of the Indus, while the fortresses of Bazira and Ora which are also mentioned in the Greek accounts of Alexander's compaign have been indentified with two ruined strongholds near the villages of Bir-kot and Udegram. In Upper Swat a series of Buddhist sanctuaries were discovered which bear striking testimony to the flourishing condition of Buddhism in that region during the early centuries of our era. Another spot famous in connection with Alexander's Indian compaign is the city of Taxila, on the border of the Rawalpindi and Hazara Districts, where the Archaeological Department has recently been paying special attention to the Scytho-Parthian city of Sirkap. Among the many finds made here during the past twelve months was a remarkable cache of gold ornaments and silver plate. From a dated inscription on one of the silver vessels it appears to have been the property of a local Satrap with a Greek name.

Later by a couple of centuries than this unique find at Taxila is a magnificent array of Buddhist bas-reliefs unearthed at Gummudiduru in the Kistna District of Madras, and a group of Buddhist monasteries, stupas and pillared halls of the same age at Nagarjunikonda in the Guntur District. The former are specially welcome additions to the extant monuments of early Buddhism in that they belong to the Amaravati school of sculpture which from an artistic point of view is the most attractive of all the early Indian schools but which has hitherto been represented almost exclusively by the well-known reliefs from Amaravati. The latter have already yielded a number of historically important inscriptions referring to certain rulers of the Ikshvaku Dynasty and mentioning also the country of " Vanavasa ", which in Ptolemaei's Geography appears under the name of Banabasi.

In Eastern India, too, new light has been thrown on a later stage of Buddhism by the excavation of two imposing monuments of the mediaeval period—one at Nalanda in Bihar, the original home of Buddhism; the other at Paharpur in the Rajshahi District of Bengal. Nalanda was the site of the great Buddhist

MOHENJO-DARO: SOME IMPRESSIONS OF TYPICAL SEALS.



MOHENJO-DARO: SPECIMENS OF GOLD AND SILVER JEWELLERY AND BEADS.

University which was visited by the Chinese pilgrim Hiuen Thsang in the middle of the seventh century, and was still vigorous in the eleventh. Outstanding among the many edifices recently unearthed is a stupa of vast proportions, which proves to have been reconstructed and enlarged on six occasions, each of the successive envelopes added to it being more imposing than its predecessor. The fifth in this succession is remarkable for the almost perfect state in which its stucco bas-reliefs and ornaments, including many admirably modelled figures of Buddhas and Bodhisattvas, have survived. Rarely, indeed if ever in the history of excavation has so well preserved a monument— at once so vast and so fragile— been dis-interred from the ground. In this stupa at Nalanda, be it observed, the images are of a strictly orthodox character. At Paharpur, on the contrary, the images which adorn the plinth of the new found stupa are exclusively Hindu, comprising figures of Siva, Ganesha, Indra, Agni, Yama, Yamuna, etc., etc., and they go to show that by the sixth or seventh century A. D. Buddhism as practised in this part of Bengal, had already become largely Hinduised.

Not content with these manifold discoveries in India and beyond the North West Frontier, the Archaeological Department has also made at Old Prome (Srikshetra) in Burma a find which must rank as perhaps the most valuable hitherto recorded in that country. This was the untouched relic chamber of a pagoda, containing a votive stupa of silver with inscriptions in the ancient Pyu characters, a manuscript of twenty gold leaves between covers of gold with an extract from the Pali Buddhist scriptures in characters of the 5th or 6th century A.D.; a gold statue of the Buddha and 63 smaller ones of gold and silver, 4 small stupas of silver; and a number of inscribed gold and silver finger rings, ear ornaments, miniature boats, terracotta reliefs, and coins of various denominations. At Pagan also were exhumed over a thousand terracotta tablets some 800 of which bear records in ancient Burmese, while the remainder are inscribed in Pyu, Talaing, Pali and Sanskrit, the whole affording most useful data towards the study of Burmese history and philology.

In order to carry on such archaeological explorations, the Government of India have decided to make an increased recurring grant of Rs. 2,50,000 a year, with effect from the year 1926-27,

and to appoint a whole-time staff consisting of one Deputy Director General of Archaeology for Exploration, three Assistant Superintendents, Archaeological Survey, and a subordinate staff. The superior posts have been created for a period of 2 years in the first instance. It is hoped that with the increased grant and the whole-time staff, the work of archaeological explorations will be placed on a sound and satisfactory basis.

From the subject of communications to that of trade and commerce is a natural transition and we may begin this part of the chapter with an account of the work of the Indian Tariff Board during the year. The Tariff Board of course is the body which advises the Indian Government on matters connected with the application to particular industries of the policy of discriminating protection on which India has recently embarked.

The Tariff Board conducted a number of enquiries during the year the most important of which, the statutory enquiry into the conditions of Steel Industry has already been discussed.

Limits of space forbid anything like a detailed account of all the activities of the Board but some of them cannot be passed over in silence. Hardly, if at all, inferior in importance to the steel protection enquiry, was the enquiry concluded at the beginning of 1927 into the causes of the depression in the Bombay Cotton Textile Industry. In last year's report, reference was made to the abolition of the excise duty levied at $3\frac{1}{2}$ per cent. *ad valorem* on cotton goods produced in Indian mills. In May 1926 the Government of India received an application from the Bombay Mill Owner's Association asking that the Tariff Board or some other committee similarly constituted and with similar powers might be directed to make the enquiry already mentioned and suggest any measures which might be taken to restore the Bombay Cotton Industry to prosperity. As the Tariff Board was fully occupied with the steel enquiry the Government of India decided to appoint a second Tariff Board consisting of Mr. F. Noyce, I.C.S., who had special knowledge of the cotton industry, as president and Rai Bahadur Pandit (now Raja) Hari Kishen Kaul and Mr. N. S. Subha Rao, Principal of the Maharajah's College at Mysore as members. This Board was directed to investigate the conditions of the Cotton Textile Industry in India with special reference to the industry in Bombay and Ahmedabad, to examine the causes of the

existing depression in the industry, and to report whether they were temporary or permanent. In particular the Board was directed to consider the question whether the depression was due to the competition of foreign countries in the home and export trade. It was also asked to report whether, having regard to the fact that the industry had long been firmly established in India, and looking also to the interests of the consumers and to all other interests affected, the cotton industry stood in need of protection and if it did in what form and for what period protection should be given. It was further left to the Board to make any other recommendations germane to the subject. After a full enquiry lasting for some months, the Board submitted its report in January 1927, but it had not been published by the end of the year under review.

Whilst we are on the subject of the cotton industry it is convenient to record here two decisions of the Government of India connected with the cotton trade. In last year's report it was stated tha the abolition of the cotton excise duty necessitated the repeal of the Cotton Duties Act, 1896, but that in order to avoid a break in the continuity of the statistics compiled under the Act fresh legislation was in contemplation to provide for the compulsory preparation and submission of returns of quantities of cotton goods and cotton yarns manufactured in mills in British India. Accordingly, in March 1926, the Cotton Duties Act was repealed and the Cotton Industry (Statistics) Act, 1926, was passed. Rules to give effect to the provisions of the latter Act have also been issued.

By their second decision referred to, the Government of India decided to revive the compilation of certain statistics relating to raw cotton. In March 1923 after consulting local Governments, the compilation of the publication issued by the Director of Statistics entitled "Inland Trade (Rail and River-borne) of India," was discontinued. At the instance of the Indian Central Cotton Committee, it has, however, been decided to revive, with effect from the 1st October 1926, the statistics relating to rail and river-borne trade in raw cotton, as these statistics are considered to afford valuable assistance to Directors of Agriculture in checking the accuracy of crop forecasts. The method of registration adopted is briefly as follows. Provinces are divided into separate trade blocks and the railway and inland steamship companies concerned are required to furnish the Director General of Commercial Intelligence and Statistics direct, for publication in a consolidated form,

with monthly returns of exports of raw cotton from each trade block. An estimate of production for any particular trade block is reached by adding the figures of consumption to those of exports and subtracting therefrom figures of raw cotton imported into the block. The system assumes that imports into a trade block are large only where there are consuming mills within the block. It has accordingly been decided not to obtain from railways and steamship companies returns of imports, but to leave it to the various Directors of Agriculture, who use the statistics for the purpose of estimating the figure of production, to obtain from the mills figures of consumption distinguishing between cotton produced within a block and cotton imported from an outside block.

In addition to conducting the steel and cotton enquiries, the Tariff Board during the year under review concluded their investigations into the claims for protection of the coal, wire and wire nails, and ship-building industries. They also finished their enquiry into the question of removing the duty on spelter and the enhancement of the duty on imported galvanised hardware.

Of these other enquiries that into the circumstances of the ship-building industries was closely connected with the enquiry into protection of the steel industry. In its first report on the Steel Industry the Tariff Board recommended that the duty on unfabricated steel should be raised from 10 per cent. *ad valorem* to Rs. 30 per ton. They recognised that this increase would send up the cost of ship-building in this country. Nevertheless they decided that there was no necessity to increase the revenue duty of 10 per cent. *ad valorem* levied on " ships and other vessels for inland and harbour navigation, including steamers, launches, boats and barges imported entire or in sections," that is, that in spite of the increased cost of ship-building in India caused by the protective duty on unfabricated steel, ship-builders in India require no protection other than that afforded them by the normal revenue duty. Until 1924 " ships and other inland vessels " had always been subject to the same rate of duty as iron and steel and so long as this held good, it was a matter of indifference to all concerned whether the duty was levied on the hulls as " ships " or as fabricated steel. It was not foreseen that when the duty on fabricated steel was raised to 25 per cent. a question of interpretation might arise as to the meaning of the phrase " entire or in sections ". In this matter of interpretation the Central Board of Revenue gave

a Ruling the effect of which was that unless the hulls of vessels are imported entire or in built up sections which can be launched separately and fastened together in the water, the fabricated steel from which the hull is made is liable to a protective duty of 25 per cent. *ad valorem*. Representations were received against this ruling from two prominent Inland Steam Navigation Companies in India and these were referred to the Tariff Board. The Board took the opportunity of re-examining the whole matter and their final recommendations were intended to correct the position in which matters had been left by the Ruling of the Central Board of Revenue. They found that the Indian Ship-building Industry did not require protection except so far as it was affected by the protective duties on iron and steel. They recommended that the duty on ships and other vessels for inland and harbour navigation when imported in parts should be 10 per cent. *ad valorem* subject to a minimum of rupees 35 per ton on protected iron and steel. The Government of India agreed with the finding and the recommendation. The Board however pointed out that the minimum which was based on the existing rates of duty might have to be modified as a result of the statutory enquiry into the iron and steel industry which was in progress when their report on the ship-building industry was published. The Government of India therefore decided to postpone legislation on these recommendations until the result of the steel enquiry was known. They decided, however, to exempt in the interim, by notification under the Sea Customs Act, the iron and steel in ships and other vessels imported for inland and harbour navigation from so much of the protective duties as was in excess of 10 per cent. *ad valorem* or Rs. 35 per ton whichever was higher. Before the end of the year under review the Statutory Enquiry into the Steel Industry was completed. In their Report on the Steel Industry the Board recommended that the previous minimum compensatory protection of Rs. 35 per ton on the materials used in ship-building should be reduced to Rs. 23 per ton. This recommendation was accepted by the Government of India and effect was given to it in the Steel Industry (Protection) Bill of 1927 which was passed into law during the last Delhi Session of the Legislature.

There is no need to go into details of the enquiries into the protection of wire and wire nails, and spelter. After their enquiry into the coal industry the Board reported that there was no case

for general protection, but they considered that a duty at the rate of Re. 1-8-0 per ton would be justifiable. The majority considered that it was inadvisable to impose a countervailing duty on South African coal. Mr. Ginwala differed from this view and wrote a minority report recommending that a countervailing duty of Re. 1-8-0 per ton, in addition to the existing duty of 8 annas per ton, should be imposed on South African coal. The Government of India accepted the unanimous finding of the Board that the case for a protective duty on all imported coal had not been established and they accepted the finding of the majority of the Board that in existing circumstances the imposition of such a duty was not advisable.

We can now turn to a discussion of the trade of India for 1925-26 the latest period for which accurate statistics are available. But before doing so we ought to notice certain changes which have taken place of late years as a result partly of conditions during and after the war and partly of the policy of discriminating protection which India recently adopted. Imports of manufactures tend to fall off whilst exports of manufactures are on the increase. At present, about three quarters of India's exports consist of agricultural produce and the same proportion of her imports is made up of manufactured goods. With the existing disparity between the prices of agricultural and industrial products, it is obvious that India has to make a greater productive effort than she formerly did in order to secure the same volume of imports.

Last year's report mentioned that the year 1924-25 was one of records in the Indian export trade. During the year ending March 31st, 1926, the total figure of exports of merchandise fell by 13 crores of rupees, owing chiefly to the reduced shipments of food grains and tea. The value of Indian imports and merchandise also fell from 253 crores of rupees to 236 crores. The loss was accounted for chiefly by smaller imports of cotton piecegoods and also by the lower prices of imported sugar. An examination of figures on the basis of inland values in 1913 shows that since 1923-24 the volume of export trade has regained its pre-war level whilst corresponding figures for import trade show that recovery is still very far from being complete. The balance of trade in merchandise in favour of India which in 1924-25 reached the record figure up to that date of 155 crores of rupees increased further during the year under review and amounted to 161 crores of rupees. The pre-war average was 78 crores. The

DIAGRAM.

1. The Foreign Sea-Borne Trade of British India.

(a) During the last eight years as compared with averages of the pre-war and war periods.

(Private and Government.)

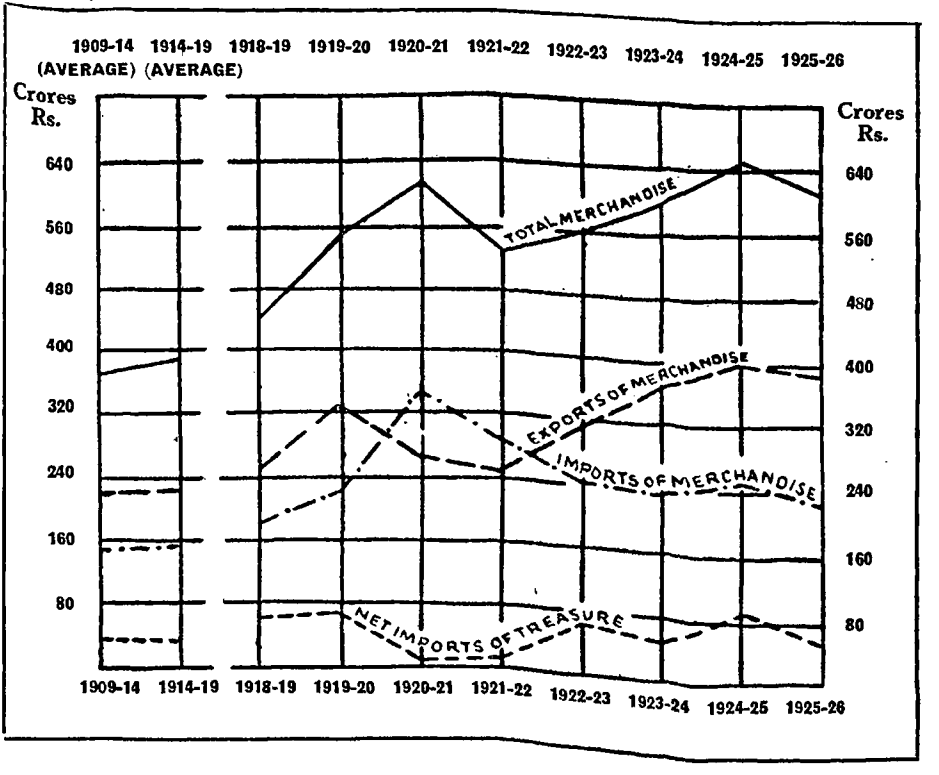


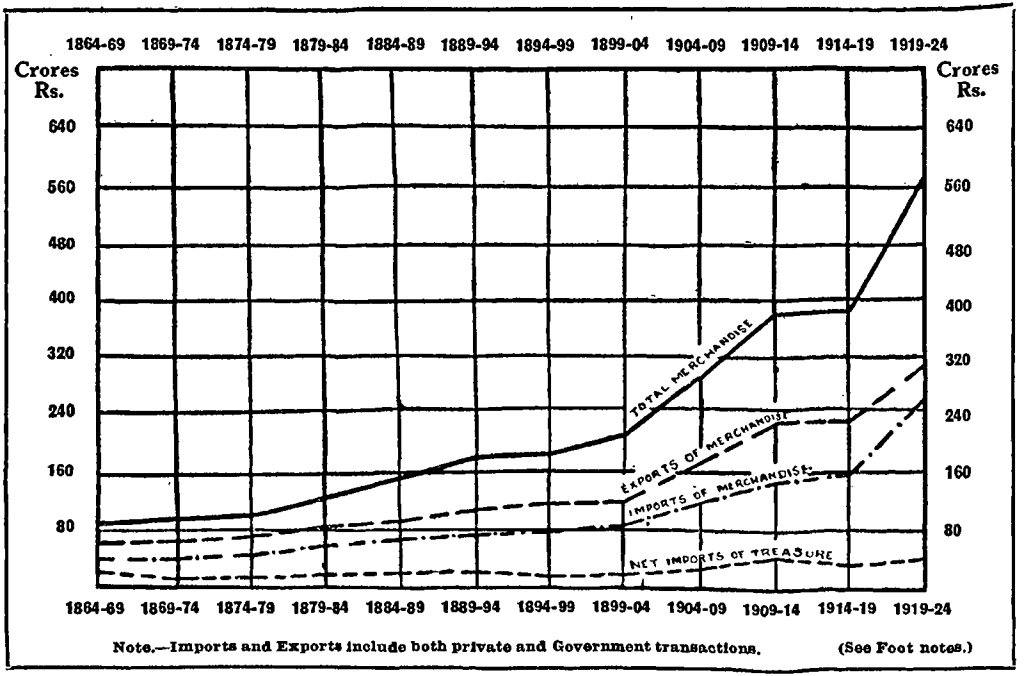
DIAGRAM.

1. The Foreign Sea-Borne Trade of British India.

(*b*) During the last 60 years (1864-69 to 1919-24).

Quinquennial Averages.

(Private and Government.)



Note.—Imports and Exports include both private and Government transactions. (See Foot notes.)

Note 1. In chart 1 (b) the graphs are based on averages of 5 years.

2. Total merchandise includes Imports and Exports, both private and Government.

3. Imports of merchandise are inclusive of Government Stores.

4. Exports of merchandise are inclusive of re-exports and Government Stores.

5. Net Imports of Treasure are the Imports *minus* the exports of Gold and Silver, both private and Government, and also of currency notes from 1922-23. The exports of treasure are ordinarily very much less than the imports.

6. Years are taken as beginning on 1st April and ending on 31st March.

net imports of private treasure fell sharply from 94 crores of rupees during the preceding year to 52 crores, but even this figure is well above the average pre-war importation of 36 crores. Thus although a good monsoon gave India another year of good crops her trade continued to be hampered by certain features outside her own control. Of these the disturbed political and financial conditions in various parts of the world which were the outcome of the war continued to be of decreasing importance during the year. The various conferences, committees and re-construction schemes which have been working to ameliorate conditions in Europe since 1920 have now resulted in the stabilisation of most European currencies in relation to gold. With the notable exception of China, political conditions are now reasonably stable. But the gap between the prices of agricultural products and those of industrial products is still very wide, a circumstance of intimate concern to India since the bulk of her exports consist of agricultural produce whilst most of her imports are manufactures. A striking example of this is afforded by the price of cotton manufactures which are far and away the largest item in Indian imports. During the calendar year 1925 the index figure for cotton manufactures was 210, whereas the greater part of Indian agricultural produce, with the exception of raw and manufactured jute, registered a much lower level. Cereals were at 136, pulses 128, oilseeds 146, hides and skins 104. Raw jute rose from 102 to 154 and manufactured jute from 159 to 177. It is clear, therefore, that until this gap closes, Indian imports will continue to lag. On the import side cotton piecegoods decreased by 259 million yards to 1,564 million yards and their value fell by 15 crores of rupees to a total of 54 crores. Imports of grey, white and coloured goods all fell heavily. The quantity of sugar imported increased again by 76,000 tons but because of lower prices its value fell by 5 crores to a total of 16 crores. Iron and steel imports fell by 10,000 tons in amount and $1\frac{1}{4}$ crores of rupees in value. The value of machinery of all kinds imported was almost stationary at nearly 16 crores of rupees whilst the imports of railway plant and rolling stock on private account fell slightly. Hardware, motor cars, and mineral oils all increased whilst importations of foreign coal and raw cotton and cotton twist and yarn fell off. On the export side the total value of raw and manufactured cotton rose from 103 crores of rupees to 105 crores, and of raw and manufactured jute from 81 crores of rupees to 97 crores. In raw jute there was

a fall of 7 per cent. in the quantity exported but on account of the very high range of prices the value rose by 30 per cent. over the preceding year to 38 crores. Shipments of husked rice rose slightly but exports of wheat decreased from 1,112,000 tons valued at 17 crores of rupees to 212,000 tons valued at 3½ crores. Shipments of tea were reduced from 340 million lbs. valued at 33 crores to 326 million lbs. valued at 27 crores. The quantity of oil seeds and dressed hides and skins exported fell slightly but raw hides and skins improved.

An analysis in greater detail of India's import and export trade during 1925-26 presents some features of interest. As usual, cotton manufactures represented the most important item in India's import trade since their value was well over a quarter of the total value of all imports. Yet, as concerns imports of cotton manufactures the year under review was disappointing. The prices of raw cotton showed a large downward movement during the year but these did not stimulate imports of cotton manufactures because dealers found it difficult to liquidate the large stocks of high priced goods which remained on hand at the close of the previous year, and, also, uncertainty as to when minimum prices on a falling market in raw cotton would be reached led to cautious buying. As compared with the previous year the value of the imports fell by 16 crores of rupees and of the total import trade of India cotton manufactures represented only 29·1 per cent. whilst in the previous year the percentage had been 33. Piecegoods showed a decrease of 15 crores and twisted yarn of nearly two crores on the imports of the previous year. The decrease in the import of cotton twist and yarn was mainly at the expense of the United Kingdom which sent to India 16 million lbs. valued at 314 lakhs of rupees as against 20¾ million lbs. valued at 455 lakhs in the preceding year. Imports from Japan increased by over 1 million lbs. to 33½ million lbs. Indian mill production of twist and yarn fell from 719 million lbs. to 686 million lbs. The share of Japan in the total quantity of twist and yarn imported increased from 57 to 65 per cent. while the share of the United Kingdom fell from 37 to 31 per cent. Japan is concentrating on yarns of counts above No. 30 in which her chief rival is Lancashire. The value per lb. of grey and coloured yarn numbers 31 to 40 imported from Japan were Re. 1-2-6 and Re. 1-8-6 respectively while the United Kingdom yarn grey and coloured of similar grades were valued at Re. 1-5-6 and Re. 1-10-5 respectively.

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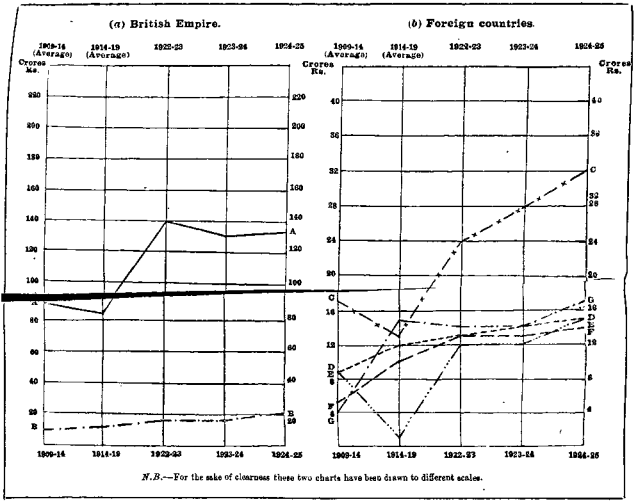
DIAGRAM.

1. Variations in the Trade of British India with principal Countries during the last three years, as compared with average of the pre-war and war periods.

IMPORTS.

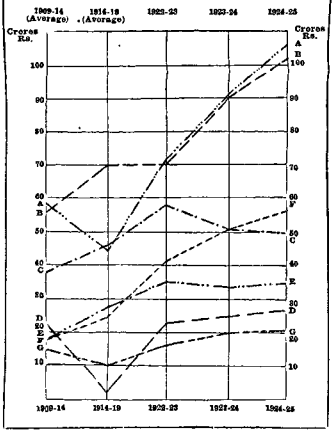


N.B.—For the sake of clearness these two charts have been drawn to different scales.

EXPORTS.

REFERENCES OF IMPORTS.

A. United Kingdom.
B. Other Parts of the British Empire.
C. Other Foreign Countries.
D. Java.
E. Germany.
F. United States of America.
G. Japan.



REFERENCES OF EXPORTS.

A. Other Foreign Countries.
B. United Kingdom.
C. Other Parts of the British Empire.
D. Germany.
E. United States of America.
F. Japan.
G. France.

The share of other countries exporting to India fell during the year under review except Italy's which increased from 215,000 lbs. in 1924-25 to nearly 410,000 lbs. during 1925-26. Turning now to cotton piece goods we notice that the total quantity including fents imported decreased by 14 per cent. in quantity to 1,564 million yards and by 22 per cent. in value to Rs. 54 crores. The decline was common to all three major classes of piece goods. Grey goods fell by 16 per cent., white goods by 15 per cent. and coloured goods by 10 per cent., the quantity imported being less by 136·4 million yards, 83·8 million yards, and 41·2 million yards respectively. The total production of cotton piece goods in Indian mills also decreased by 16 million yards. The share of the United Kingdom in the imports showed decreases in all the three classes the largest decrease being in coloured goods. In the import trade of both grey and coloured goods the growing participation of Japan is very definite and a few further details of her progress during the year may be found interesting.

The imports of grey goods from the United Kingdom fell by 23 per cent. in quantity and 29 per cent. in value from 727 million yards, valued at Rs. 24 crores, to 561 million yards, valued at Rs. 17 crores. Japan again increased her shipments from 110 million yards, valued at Rs. 4 crores, to 143 million yards, valued at over $1\frac{3}{5}$ crores. In white (bleached) piece goods, the United Kingdom was, as usual, the chief supplier, her shipments amounting to 96 per cent. of the total quantity; but her imports showed a reduction of 16 per cent. in quantity and 22 per cent. in value, and fell from 533 million yards, valued at Rs. 19 crores, in the preceding year to 446 million yards, valued at Rs. 15 crores. The Netherlands, Switzerland and Japan further increased their supplies in the year under review. In coloured goods shipments from the United Kingdom fell from 338 million yards, valued at Rs. $16\frac{1}{2}$ crores to 267 million yards, valued at nearly Rs. 12 crores, while Japan increased her supplies from 41 million yards, valued at Rs. $1\frac{1}{2}$ crores, to $69\frac{1}{2}$ million yards, valued at over Rs. 2 crores.

Second in importance to cotton manufactures but following them at a long distance come metals and metal manufactures. The imports under this head when compared with those of the preceding year show a decrease in quantity of 10,000 tons and in value of $1\frac{1}{2}$ crores of rupees. The year 1925 was one of the worst on record for the iron and steel industry in the United Kingdom.

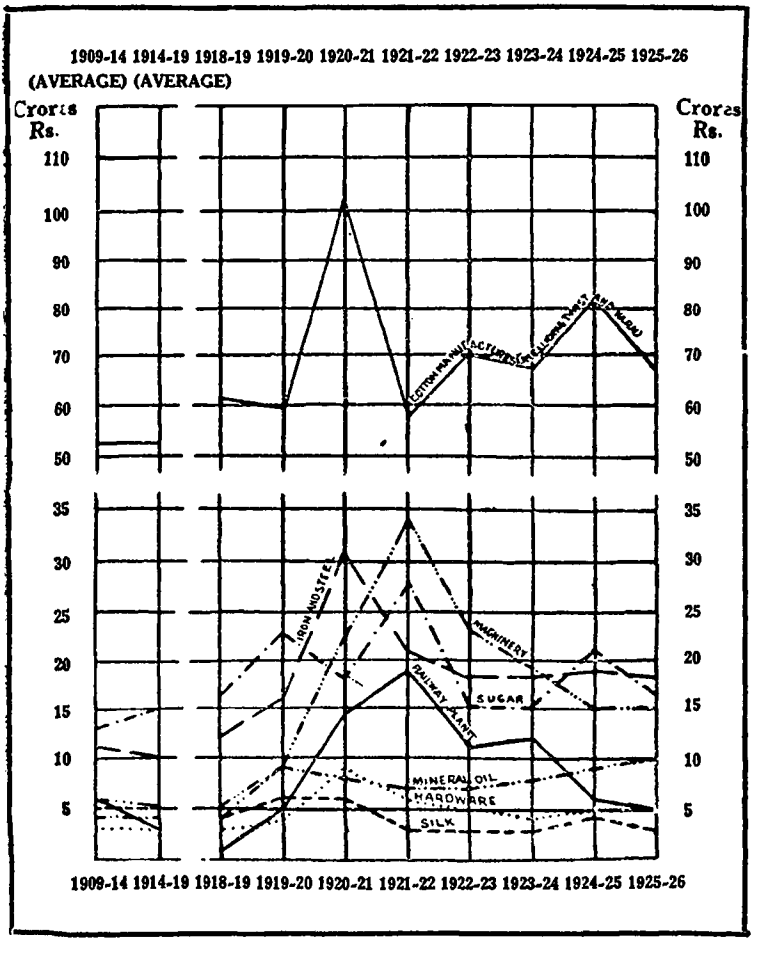
Foreign competition, mostly from Belgium and France, resulted in continuously falling prices and the system of minimum steel prices which had been in operation from the end of 1923 became ineffective in the early part of 1925. The fall of the Belgian and French franc gave these two countries a temporary advantage over the United Kingdom but inspite of these adverse circumstances the latter increased her imports of manufactured iron and steel into India to the extent of 16 lakhs in value, whilst Belgium's share fell by 90 lakhs. Galvanised sheets accounted for 42 per cent. of the total imports of iron and steel and the supplies as usual came chiefly from the United Kingdom. Altogether under the head of iron and steel the United Kingdom's total share of imports rose by 5 per cent. while supplies from Belgium and Germany fell. The share of the United States increased slightly.

Third in order of importance came machinery and mill work which beat sugar by 4 lakhs. Imports of cotton and jute mill machinery again showed decreases, whilst on the other hand the imports of prime movers, electrical machinery, and boilers increased. The value of all textile machinery imported fell from Rs. 3,81 lakhs to Rs. 3,29 lakhs, of which 96 per cent. came from the United Kingdom as compared with 95 per cent. in the preceding year. Machinery for cotton spinning fell from Rs. 1,51 lakhs to Rs. 1,21 lakhs and for weaving from Rs. 69 lakhs to Rs. 64 lakhs. Jute manufacturing machinery decreased from Rs. 93 to Rs. 82 lakhs. Wool manufacturing machinery reached the low level of Rs. 2 lakhs from Rs. 6 lakhs in 1924-25 and Rs. 11 lakhs in 1923-24. Imports of electrical machinery almost reached the level of 1923-24, the value rising from Rs. 2,02 lakhs in 1924-25 to Rs. 2,22 lakhs in 1925-26. Of this, the United Kingdom's share amounted to Rs. 1,84 lakhs, an increase of Rs. 7 lakhs over the value of the previous year's supplies, while the imports from the United States of America came to Rs. 20 lakhs, an increase of Rs. 5 lakhs. Prime movers (other than electrical) rose from Rs. 1,86 to Rs. 2,12 lakhs, oil engines increasing from Rs. 1,10 to Rs. 1,14½ lakhs and steam engines from Rs. 68 to Rs. 84 lakhs. Imports of mining machinery other than coal decreased slightly whilst those of metal working and coal mining machinery increased. The number of sewing and knitting machines imported increased to 70,835 of which 76·7 per cent. came from the United Kingdom. As compared with the previous year the share of the United King-

DIAGRAM.

(2a) Variations in the values of principal articles in the import trade of British India during the last eight years as compared with averages of the pre-war and war periods.

IMPORTS.



Note.—Two different scales have been used in drawing this chart, the scale for cotton manufactures, being only half the scale for other items.

dom under this head fell by 4·5 per cent. whilst Germany improved her position.

The world's production of sugar during 1925-26 was estimated to be even higher than the record production during 1924-25. Its price therefore naturally fell and the consumption of sugar in India during 1925-26 was accordingly unusually high. These circumstances are reflected in the figures of imports of sugar into India which were the largest recorded since 1921-22, the quantity of sugar of all kinds including molasses and confectionery imported amounting to 732,600 tons as against 671,000 tons in 1924-25. Last year sugar had ranked second in value in India's imports and her decline to the fourth place this year is due to the fall in prices. As usual, by far the greater part of imported sugar came from Java which supplied 659,000 tons. Imports of sugar from Mauritius decreased from 133,000 tons to 19,100 tons owing to the restoration of the original preference given to Empire sugar in the United Kingdom.

Next in order of importance come mineral oils. India imports little petrol from abroad as she produces her own and the chief items under the head of mineral oils are kerosine oil, fuel oil, and lubricating oils. Imports of all these three classes increased during the year under review, roughly 70 per cent. of the kerosine oil coming from the United States. Of the total quantity of fuel oil imported 77 per cent. came from Persia whilst the United States supplied the bulk of the lubricating oil.

The value of the imports of railway plant and rolling stock on private and government accounts combined (exclusive of rails, chairs and fish plates for railways which are included in iron and steel) increased by 16 per cent. from 700 lakhs to 814 lakhs. 79·9 per cent. of the total imports under this head came from the United Kingdom, Belgium being next largest supplier with 9·2 of the total. The share of the United Kingdom in this trade has fallen steadily during the past three years. In 1923-24 it was 94·6 per cent. of the total, in 1924-25 87 per cent., and in 1925-26 as stated above. Although the total value of the imports of hardware as compared with the preceding year showed an increase of 21 lakhs or 4 per cent., the imports from the United Kingdom fell whilst those from Germany, the United States of America and Japan rose. Since the year 1922-23 the share of the United Kingdom in hardware imports into India has steadily fallen from 50 per cent. to 38

per cent. whilst that of Germany has risen from 22 per cent. to 27 per cent.

The trade in motor vehicles has been growing steadily during the past few years and the reduction in the rates of duty on motors and certain of their accessories which we noticed in our examination of the budget proposals for 1927-28 combined with the interest which is now being taken in the development of roads in this country will, in all probability, lead to an acceleration of imports of motor vehicles. It may be of interest therefore to give some details of this branch of India's import trade.

The year under review saw a further expansion of the imports of motor vehicles which had been steadily growing during the previous three years. Various causes have been operative in bringing about this expansion of imports but the increase may be attributed largely to the general lowering of prices and to the extension of motor transport. The number of motor cars imported during 1925-26 was 12,757 which was the highest recorded since 1920-21, and represented an increase of 36 per cent. over the previous year's figure of 9,380. With the lower prices, the value of the imports, however, increased only by 28 per cent., from Rs. 2,20 lakhs in 1924-25, to Rs. 2,82 lakhs in 1925-26. The average declared value of cars imported from Canada was Rs. 1,518 (Rs. 1,657) as compared with Rs. 2,185 (Rs. 2,365) for each car from the United States and Rs. 3,239 (Rs. 3,620) for each British car. The values per unit in the preceding year are shown in brackets. Of the total imports Canada supplied 37 per cent., the United States 32 per cent., the United Kingdom 19 per cent., and Italy 7 per cent., as compared with 42, 33, 18 and 3 per cent., respectively in the preceding year. Bengal had 30 per cent. of the trade, Bombay 29 per cent., Sind and Madras 15 per cent. each and Burma 11 per cent. The table on the opposite page shows the imports of motor cars during the past 13 years. During the last few years there has been a steady increase in the imports from the United Kingdom as will be seen from the table. In 1923-24 she supplied 1,005 cars, valued at Rs. 45 lakhs, in 1924-25, 1,682 cars, valued at Rs. 61 lakhs, while in 1925-26 the supplies amounted to 2,399 cars, valued at Rs. 77⅔ lakhs. The cheaper makes of British cars are beginning to hold their own against American and Canadian built models. It may be interesting to compare with the figures given above, the production of motor cars in the United Kingdom, which

Diagram showing the imports of motor cars during the past 13 years.

—	From the United Kingdom.	From the United States (a)	From Canada.	From France.	From Italy.	From other countries	Total.
Year 1913-14 (pre-war).	1,669	868	..	111	7	225	2,880
Year 1914-15 .	1,350	510	..	54	19	72	2,005
„ 1915-16 .	787	2,136	..	126	57	15	3,121
„ 1916-17 .	489	4,169	..	62	44	14	4,778
„ 1917-18 .	39	1,222	..	1	18	2	1,282
„ 1918-19 .	21	368	..	..	1	10	400
„ 1919-20 .	448	9,353	20	3	17	84	9,925
„ 1920-21 .	2,541	10,120	1,938	192	218	423	15,432
„ 1921-22 .	790	802	576	158	222	347	2,895
„ 1922-23 .	449	1,386	1,846	61	131	450	4,323
„ 1923-24 .	1,005	2,865	3,290	153	370	301	7,984
„ 1924-25 .	1,682	3,106	3,956	160	235	241	9,380
„ 1925-26 .	2,399	4,143	4,775	367	860	213	12,757

(a) The country of origin of many of the cars imported from the United States during the years previous to 1920-21 is Canada.

in 1923 was 67,000, in 1924, 107,000, while the output in 1925 was 133,500. The imports of Canadian cars increased in the year under review from 3,956, valued at Rs. 65½ lakhs, to 4,775, valued at Rs. 72½ lakhs. The number imported from America rose from 3,106, valued at Rs. 73½ lakhs, to 4,143, valued at Rs. 90½ lakhs. Italy, whose supplies had fallen in the previous year to 235 cars, more than regained her position and supplied 860 cars. The number of cars imported from France rose from 160 to 367.

The imports of motor cycles increased by 12 per cent. in number, from 1,456 in 1924-25 to 1,629 in 1925-26. The value of the imports however advanced only by 2 per cent., from Rs. 9,56,000 in the preceding year to Rs. 9,86,000 in 1925-26. The United Kingdom's share in the imports was even larger than in the previous year, the number supplied by her rising from 1,201, which represented 82 per cent. of the total number imported in 1924-25, to 1,458, which represented 89 per cent. of the imports in 1925-26. The United States reduced her share to 113 (7 per cent.) from 180 (12 per cent.) in the previous year, while France supplied 18 and Germany 6 cycles.

In the heavier section the increase in imports was striking, the number of motor omnibuses, vans and lorries imported rising by 124 per cent., from 2,162 to 4,840, and the value of the imports, by 128 per cent., from Rs. 39, to Rs. 88 lakhs. Canada and the United States of America, the two principal sources of supply, sent 2,378 and 2,014 respectively, as compared with 1,225 and 782 in the preceding year. Though the number imported from Canada was larger, the value of the supplies was less than the value of those from the United States, the figures being Rs. 30 and Rs. 41 lakhs respectively. The United Kingdom supplied 338 vehicles, valued at Rs. 14 lakhs, as compared with 100 vehicles, valued at Rs. 5½ lakhs in the preceding year. The increased use of motor vehicles for passenger and goods traffic, both in the cities and in the mofussil, explains the large increase in the imports. Imports of all classes of motor tubes and covers increased during the year under review with the exception of solid rubber tyres which showed a small decrease in number. The greater part of this trade is with the United Kingdom.

Turning now to the export trade of India we notice that cotton as usual keeps the leading position. The quantity of raw cotton exported from India showed an increase of 25 per cent. from

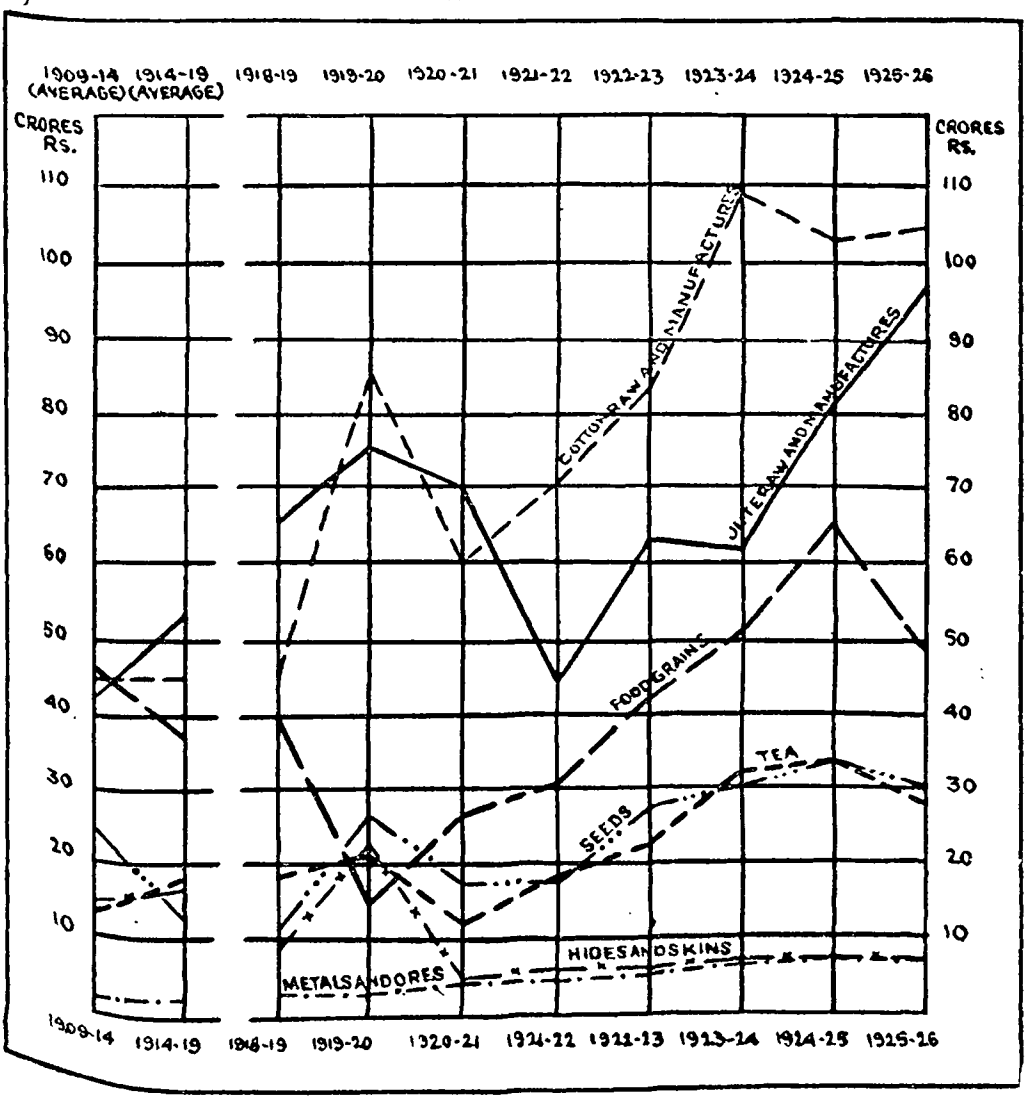
3,326,000 bales, to 4,173,000 bales but owing to the downward movement in American prices which were followed as usual by the trend of Indian prices, the value of these exports rose only by 4 per cent. from 91 to 95 crores. Japan was the largest customer for India's raw cotton and took exactly half of it. China was the next best customer and during the year under review nearly doubled her takings of the previous year. Exports to the continent of Europe and to the United Kingdom increased. On the continent, Italy was India's largest customer as Indian cotton is largely used there for the manufacture of cheap coloured cloth.

The total production of cotton yarn in Indian mills fell during the year under review to 687 million pounds weight, a drop of 4·4 per cent. as compared with the previous year but an increase of 0·6 per cent. as compared with the output in 1913-14. The largest decrease was in the lower counts 11-20 while the production of yarns of counts 21-30 also fell. The production of yarns of counts above 30 was more than maintained at the previous year's level. Exports of yarn further decreased during the year to 32,000,000 pounds. The average of the exports during the five years ending 1913-14 was 193 million pounds while the war average was 130 million pounds and the average of the post-war quinquennium 82 million pounds. These figures are striking evidence of the competition which India is experiencing in foreign markets. The demand from China contracted further from 14½ million pounds in 1924-25 to 9⅔ million pounds in 1925-26. In cotton piece goods the year was not a good one. Measured in yards, there was a slight fall of 8 per cent. as compared with the previous year's output in India's mills and the exports of Indian-made piece goods also decreased by 9 per cent. It may be noted however that only a small part of the total production is usually exported, the percentages in 1924-25 and in 1925-26 being 9·2 and 8·4 respectively. The decrease in exports was largest in the case of coloured piece goods but grey and bleached piece goods also decreased, both Mesopotamia and Persia the two largest markets for this class of goods reducing their demands.

Second in importance to cotton among the articles which India exports are jute and jute manufactures. During the year the jute market experienced extraordinary fluctuations in prices owing to varying estimates of the year's crop. The total weight of raw and manufactured jute exported decreased from 1,508,000 tons to

DIAGRAM.

(2b) Variations in the values of principal articles in the Export trade of British India during the last eight years as compared with averages of the pre-war and war periods.



1,458,000 tons, while, owing to the higher prices which ruled, the value increased from Rs. 81 to Rs. 97 crores. Of this, raw jute accounted for 39 per cent., and jute manufactures for 61 per cent. The quantity of raw jute exported was 7 per cent. less than in the preceding year and 16 per cent. less than in the pre-war year of 1913-14. The number of bags shipped was however the same as in the preceding year while the yardage of cloth exported showed a small increase of 5 million yards. In the year under review, 3,624,000 bales of raw jute were exported as against 3,898,000 bales in the previous year, but the value rose on account of higher prices, by 30 per cent., from Rs. 29 to Rs. 38 crores. Owing to violent fluctuations in the price of jute during the year, heavy losses were incurred by many and a considerable portion of the jute was shipped under contracts made at much lower prices than those prevailing at the time of export. The largest customer of jute was the United Kingdom, which took 27 per cent. of the total quantity exported, while Germany, which had ranked first in order of importance as purchaser of raw jute in the preceding year reduced her takings to 22 per cent. Exports to the United Kingdom rose from 967,000 bales to 977,000 bales while the value realised rose by 46 per cent. from Rs. 7,23 lakhs to Rs. 10,57 lakhs. Germany took 810,000 bales as compared with 1,060,000 bales in the previous year, the value improving from Rs. 7,98 to 8,16 lakhs. France increased her takings from 453,000 bales to 496,000 bales. The United States took 388,000 bales as compared with 332,000 bales in the previous year, the values being Rs. 3,87 and 2,46½ lakhs respectively, in 1925-26 and 1924-25. Italy took 275,000 bales, almost the same quantity as in the preceding year. Belgium, Spain, Japan and China took less, the last country considerably reducing her demands, but the Netherlands, Brazil, the Argentine Republic and Egypt increased their takings. The takings of the Continent of Europe, excluding Germany, have exceeded the pre-war level while the United Kingdom and America have not yet reached their pre-war standard of consumption. The increase in the takings by the United Kingdom during the year was due to the fact that Dundee spinners and manufacturers secured large orders for yarns as well as for twill sackings from the Continent, the Continental firms finding it frequently more profitable to buy than to spin. As in the four preceding years the Indian mills continued the short-time working of fifty-four hours per week. The agreement entered

into by mills early in 1924 not to add to their productive machinery so long as the short-time agreement continues still exists.

Next in order of importance in the list of Indian exports came food grains and flour. There was a heavy decrease in exports under this head during the year as compared with the previous year. The most important decreases as compared with 1924-25 were in wheat which showed a reduction of 900,000 tons or 81 per cent., barley which decreased by 407,000 tons or 90 per cent., and pulses which fell by 150,000 tons or 52 per cent. Rice accounted for 83 per cent. of the total quantity of food grains and flour exported. Rice not in the husk improved by 276,000 tons. Almost the whole of the Indian rice exported comes from Burma. Ceylon was the largest purchaser of rice during the year with Germany second to her. Japan, the Straits Settlements and China increased their imports of Indian rice whilst the United Kingdom, Belgium, Portugal and Austria took less. The sudden drop in the exports of wheat during the year requires a little explanation. The exports of Indian wheat in 1924-25 were usually high because a series of successive excellent harvests gave a surplus over local requirements and high prices were obtained for wheat in foreign markets owing to a fear of shortage of supplies. In consequence there was a considerable reduction in stocks in India and as the 1924-25 crop was smaller than that of the years immediately preceding, supplies in India were not large. Indian prices therefore did not compare favourably with prices outside, especially as in other wheat-growing countries the crops gave a good yield. Throughout the year there was no shortage of wheat in the principal consuming countries, though there was some scarcity of supplies in near positions. Little export business was therefore done, and the few shipments made in the first half of the year, consisted mostly of forward business entered into in December, 1924, and January, 1925.

During 1925-26 oil seeds displaced tea from the fourth position in the list of Indian exports in spite of their decline both in quantity and in value as compared with the previous year. This was due to the fall which took place in the exports of tea. Groundnuts continued to show the same marked improvement as in the previous year, and exports of castor, cotton seed and sesamum also increased. The Indian oil seeds which are exported in large quantities are linseed, rapeseed, groundnuts, castor and cotton seed. These formed 95 per cent. of the total quantity of oilseeds exported,

groundnuts contributing 36 per cent., linseed 25 per cent., rapeseed 9 per cent., castor 9 per cent., and cotton seed 16 per cent. Exports of rapeseed fell in quantity by 57 per cent. whilst the exports of linseed also fell appreciably during the year. Rapeseed which is used in the manufacture of margarine on the continent is losing ground in competition with groundnuts and Indian linseed which is used for the manufacture of oil and cake is being replaced by home grown linseed in Germany and other European countries. As usual France was the largest purchaser of groundnuts but Germany increased her imports considerably during the year taking 20 per cent. of the total exports. The Netherlands and Italy also increased their takings.

The Indian tea industry enjoyed another prosperous year during 1925-26 but not to the same extent as in 1923-24 or 1924-25. The climatic conditions were very favourable to the crops at the start and free plucking was indulged in during the earlier months of the season. This resulted in much inferior tea being placed on the market. Production by the end of July stood at 22 million lbs. ahead of the previous year. Prices naturally slumped, there was a general depression and producers therefore decided on limitation of outturn to prevent a repetition of the disaster of 1920. The effect of this decision was immediate; confidence was re-established, the quality of teas improved and prices recovered. But an exceptionally early cold weather and shortage of labour soon rendered any artificial restriction unnecessary and forced many estates to leave considerable areas out of the plucking round. The balance between production and consumption was restored and a very weak position was converted into an exceptionally strong one. The total production of tea in India during 1925 was estimated at 364 million pounds as compared with 375 million pounds in 1924 and 1923. 90 per cent. of the total production was exported, the United Kingdom as usual taking by far the greater part. Direct shipments of tea to the United States and Canada fell from 6 and 9 million pounds respectively to 5 and 8 million pounds, but on the other hand re-exports from the United Kingdom to these two countries increased from $3\frac{3}{4}$ and $2\frac{1}{2}$ million lbs. respectively in 1924-25, to $7\frac{1}{2}$ million pounds and 5 million pounds respectively in 1925-26.

The shipments of raw hides and skins during the year under review increased slightly as compared with the previous year and amounted to 50,800 tons valued at Rs. 7,23 lakhs as against 47,700

tons valued at Rs. 6,77 lakhs in the previous year. This increase is mainly due to larger exports of raw skins. Exports of raw cow hides decreased both in quantity and value and there was also a fall in the exports of tanned and dressed hides and skins.

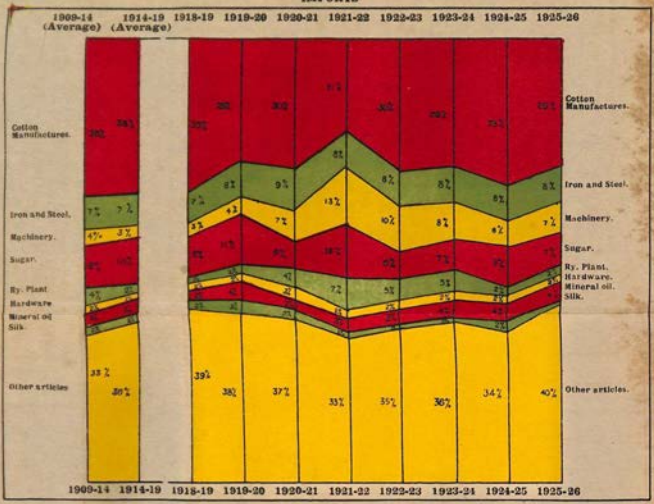
Seventh in value in the list of India's exports during the year comes lac in which India still has virtually a monopoly, although competition from the only other sources of supply, namely Siam and the Straits Settlements, is increasing. The total quantity exported increased from 427,000 cwts., in 1924-25 to 540,000 cwts. during the year under review but although this represents an increase of 26 per cent. in quantity, the value decreased by 9 per cent. The United States maintained her position as India's best customer for this commodity.

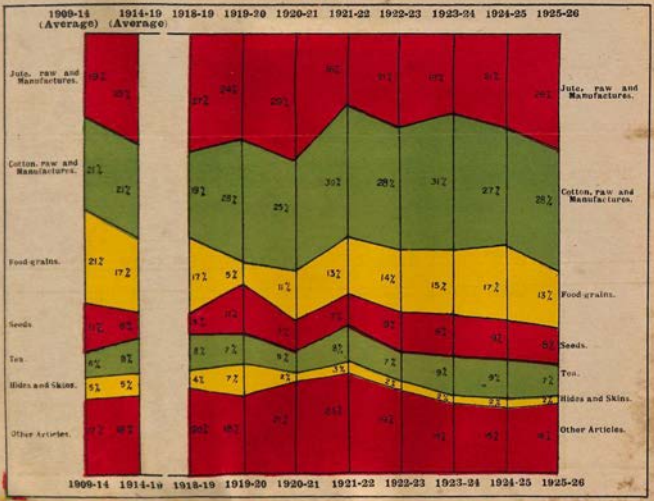
Among other commodities we may notice that exports of raw wool declined to something over 43 million pounds valued at 380 lakhs as against $53\frac{3}{4}$ million pounds valued at 507 lakhs in 1924-25. The United Kingdom took 87 per cent. of the total quantity shipped as compared with 90 per cent. in the previous year whilst the United States increased her share from 8 to 11 per cent. Exports of rubber rose from 18 million pounds in 1924-25 to $22\frac{1}{2}$ million pounds during the year under review, whilst the average declared value of exports per pound increased from 12 as. 8 p. to Re. 1-5 as. Exports of unmanufactured tobacco receded in amount by 6 million pounds and in value by $13\frac{1}{2}$ lakhs.

The direction of India's trade in the year ending March 31st 1926, may be studied summarily in the diagrams opposite this page. Except in the case of the United Kingdom, India's exports clearly exceed her imports from all countries with which she has large dealings.

The excess of imports over exports in the case of the United Kingdom amounted to 34 crores of rupees in 1925-26 as compared with 31 crores in the previous year and 41 crores in 1923-24. India's import and export trade with the whole British Empire including the United Kingdom almost balanced each other in the year under review. The outstanding feature of this as of the previous year is the progressive decline of the United Kingdom's percentage share in the imports into India and Japan's continued absorption of a large percentage of the exports from India. During the last few years Germany's return to both the import and export

Variations in the shares of the principal articles in the Import and Export trade of British India during the last eight years, as compared with averages of the pre-war and war periods.





trade is also noteworthy. During the year under review the share of the United Kingdom in the import trade further decreased from 54·1 to 51·4 per cent. and her share in the export trade also fell from 25·5 to 21 per cent. The share of the rest of the Empire in India's imports fell by about ½ per cent. and their share in her exports rose by about 1 per cent. The United States increased their share in imports from 5·7 to 6·7 per cent. and her share in the export trade also rose from 8·8 to 10·4 per cent. The participation of Japan in imports also increased from 6·9 to 8 per cent. and on the export side from 14·3 to 15 per cent.

We may now briefly review the direction of trade in a few of the more important details. In iron and steel imports the United Kingdom increased her share from 63 to 67·7 per cent. whilst that of her chief rival Belgium fell from 19·6 to 15·6 per cent. The United States improved her position slightly while Germany's share decreased. In imports of machinery the United Kingdom's share fell from 84·1 to 79·7 per cent.; the United States' share remained steadily at 9·5 per cent. and both Germany and Belgium improved their position under this head.

Hardware trade seems to be passing into German hands, for during the year under review, Germany's share improved to 27·5 per cent. whilst that of the United Kingdom further decreased from 40 to 38 per cent. Japan's share increased and the United States retained their previous amount of the trade, that is 15·6 per cent. of the whole. Under the head of motor vehicles the United Kingdom receded to 27·6 per cent. whilst the United States advanced to 36·6 per cent. Both Italy and France improved their position whilst Canada's share in the motor trade fell from 27·1 to 24·8 per cent. In Railway plant and rolling stock the United Kingdom's share decreased again and fell this year to 85 per cent. whilst the United States, Belgium and Germany improved their position. Lastly the share of the United Kingdom in imports of cotton manufactures fell from 80·5 to 74·6 per cent. while Japan increased hers from 13·8 to 19 per cent.

On the export side the United Kingdom reduced her share in the tea trade from 89·2 to 87·6 per cent. In raw jute the United Kingdom increased her takings to 27·9 per cent. whilst Germany's share fell to 21·5 per cent. In jute manufactures the shares of the United States and the United Kingdom remained almost stationary at 36·5 and 6·5 per cent. respectively. Japan took 50 per cent.

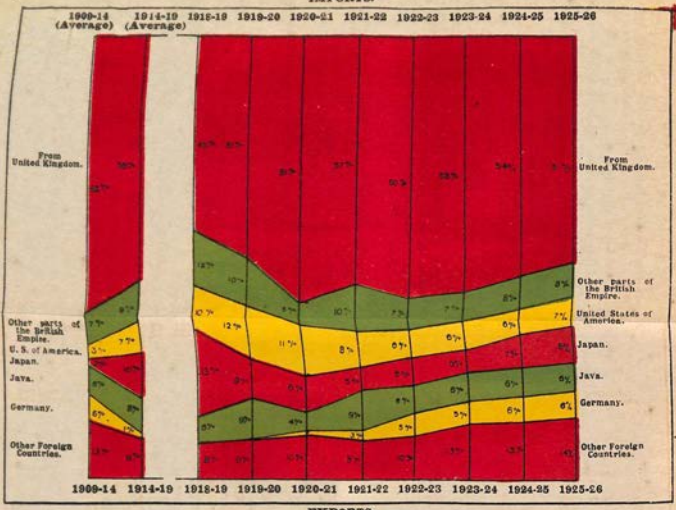
of India's exports of raw cotton as she did in the previous year. In foodgrains the share of the United Kingdom was considerably reduced from 25·8 to 7·4 per cent. and in hides and skins her share was reduced from 47·5 to 45·3 per cent., India's next best customer for this commodity being the United States who took 24·3 per cent. of the exports.

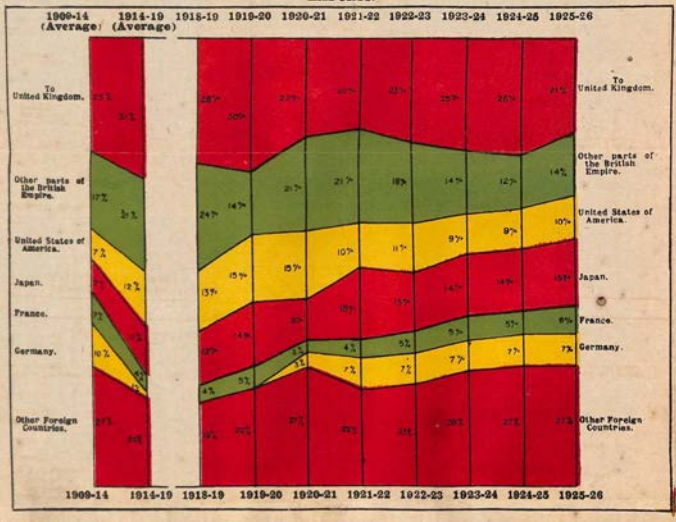
The general tendencies outlined in the last few paragraphs may be illustrated by an examination of the import and export trade between India and her various principal customers. Taking first the United Kingdom we may notice that the imports therefrom into India were less by 18 crores and the exports thereto from India by nearly 21 crores as compared with 1924-25. The value of cotton manufactures imported from the United Kingdom decreased from 66 to 49 crores. Cotton piece goods decreased both in quantity and value from 1,614 million yards valued at 60 crores to 1,287 million yards valued at 44½ crores. Grey piecegoods decreased by 166 million yards, bleached goods by 87 million yards and coloured goods by 71 million yards. The important groups of metal and metal manufactures, machinery and railway plant and rolling stock which accounted for 27 per cent. of the value of the imports from the United Kingdom declined in value by 1⅓ crores of rupees. Imports of iron and steel increased in quantity by 50,000 tons and in value by 32 lakhs. Woollen piece-goods fell from 6 million to 5¼ million yards. Imports of synthetic dyes into India increased during the year.

The total value of the imports from other British possessions decreased from Rs. 21 to Rs. 19 crores whilst the value of India's exports to those countries increased by 2 crores to 54 crores. Trade with Ceylon, the Straits Settlements, Canada and Australia increased while that with Hongkong, South Africa and Mauritius decreased.

As in the two preceding years Japan ranked second in importance in India's foreign trade. The total value of Indo-Japanese trade increased by over 2 crores of rupees to 76 crores, the rise being mainly accounted for by increasing imports into India of Japanese cotton manufacture, but Japan increased her import into India under a number of heads including glass and glassware, earthenware and porcelain, hardware, haberdashery and millinery and woollen goods. Exports from India to Japan were almost entirely of raw cotton which increased in amount during the year

Variations in the shares of the principal Countries in the Import and Export trade of British India during the last eight years, as compared with averages of the pre war and war periods.





under review to 2,084,000 bales. Japan also increased her takings of husked rice, but most other classes of commodities exported from India to Japan fell off slightly.

As in the four preceding years the United States ranked third in order of importance, in India's foreign trade. The total value of the trade with this country increased by over 6 crores to a total of 55 crores of rupees. Imports into India increasing by 1 crore and exports by 5 crores. The principal articles imported from the United States were mineral oils ($5\frac{1}{2}$ crores), machinery and mill work ($1\frac{1}{2}$ crores), motor vehicles ($1\frac{2}{3}$ crores) and iron and steel and hardware (about 81 lakhs each). Exports from India of raw jute increased from 59,300 to 69,200 tons. During 1925-26 Germany stood fourth in order of importance in India's foreign trade for the fourth year in succession, although the value of India's total trade with her decreased this year from $43\frac{1}{2}$ to 40 crores of rupees. Imports from Germany decreased by over Rs. 2 crores and exports by nearly $1\frac{1}{4}$ crores. The principal articles imported from Germany are alizarine and aniline dyes, hardware and brass and copper. This year imports of alizarine and aniline dyes fell to $5\frac{1}{2}$ million pounds as compared with $13\frac{1}{2}$ million pounds in the previous year. Iron and steel and brass and copper also declined. As already noted exports of raw jute from India to Germany declined in quantity as compared with the year 1924-25 but shipments of lac increased in quantity and there were larger exports of manganese ore and unmanufactured tobacco.

Of the other countries with which India conducts overseas trade we may notice that the value of her commerce with Italy and Belgium decreased in the year under review while that of France, the Netherlands and China increased. Imports of coloured cotton piece-goods, artificial silk yarn and motor cars from Italy increased.

As was noted in previous year's report the old system of registration of trade across the land frontiers of India by means of clerks posted upon important trade-routes has been abandoned and a new system introduced under which traffic is registered in selected commodities at certain railway stations adjacent to the more important of the frontier routes. Stations have been selected at which it is estimated that the bulk of the inward traffic is intended to be transported beyond the frontier and the bulk of the outward traffic consists of goods which have come from beyond the frontier.

Though it is impossible to say with complete accuracy how much of the traffic of a railway station adjacent to the frontier is frontier traffic, yet under the new system, the figures recorded are accurate statistics of the trade to and from stations at which a high percentage of the traffic consists of frontier trade.

Last year's report also stated that some modification of the system newly introduced for the registration of the external land frontier trade of India proper would be necessary in its application to Burma and that the matter was under consideration. As a result of the discussion of the question with the Burma Government, the Burma Railways and the Irawaddy Flotilla Company, it has been decided that statistics of the trade passing across the Burma frontier should be recorded at Bhamo in the north, to catch that trade which is entirely river-borne as well as the trade despatched from or to the rail-head Katha; the rail-heads Lashio and Heho in the Shan States; and Thingannyinaung in the south, through which the bulk of the trade with Siam passes. This will include all the trans-frontier trade of Burma which is of importance. The new system came into force from the 1st April 1926.

The coast-wise imports of coal into Burma increased during the year but imports of cotton piece goods of Indian manufacture decreased by over 1 million yards owing to smaller imports of cotton goods from Bombay and to larger arrivals from Japan. Exports of rice not in the husk from Burma to India increased by 346,000 tons, exports of kerosine oil to Indian ports fell by 11 million gallons as compared with 1924-25; shipments of benzine and petrol further increased by 7 million gallons to 25 million gallons. Shipments of teak wood increased owing to larger demands from more important Indian railways for their carriage and waggon construction.

Among miscellaneous matters in connection with Indian trade affairs we may notice the provision of suitable office accommodation in London for the High Commissioner for India, the appointment of a Trade Publicity Officer in England and the conclusion of a commercial *modus vivendi* with Greece.

The High Commissioner's present office has been found to be unsuitable both by reason of the inadequacy of the accommodation and the locality in which it is situated, and in November 1925 he submitted a scheme for its abandonment in favour of more commodious premises in a better locality. The main object of the

scheme is to have in London a building which can, like the offices of the Dominion High Commissioners, be treated as a centre in London by visitors from India and others interested in India, and which will be more easily accessible to business callers and the general public. The site which has been selected is on land belonging to the London County Council adjoining Bush House, and having its main frontage on Aldwych with a return frontage on Montreal Place which connects Aldwych with the Strand. The building, which it is proposed to erect on this site, is estimated to cost £300,000. The cost involved is large, but it is unavoidable if the building to be erected is to be worthy of India. It is hoped that the provision of such a building will go a long way to improve India's commercial relations with the Empire and foreign countries, and stimulate the export of her products.

Early in 1926 a Trade Publicity Officer was appointed as an experimental measure for one year to assist the Indian Trade Commissioner, London, in utilizing the opportunities which occur in England for commercial publicity of India's economic interests. This has proved a step in the right direction, for since the appointment was made, the display of Indian goods at some of the important exhibitions on the Continent has led to useful results. It has, accordingly, been decided to continue the appointment for another year, and to arrange for participation in Exhibitions and Fairs on a larger scale than hitherto.

In order to regulate commercial relations between India and Greece, a *modus vivendi* was concluded with the Greek Government by an exchange of Notes on the 11th September 1926. This agreement provides for the grant of reciprocal most-favoured-nation treatment of the goods produced or manufactured in the respective countries, the extension to Indian goods imported into Greece of the benefit of the conventional rates of duty accorded to United Kingdom goods and the exemption of currants, the produce of Greece, from payment on importation into India of duty in excess of 2 sh. per cwt. A notification under the Sea Customs Act, 1878, reducing the import duty on currants from 15 per cent. *ad valorem* to Re. 1-4-0 per cwt. has been issued in discharge of this obligation.

CHAPTER V.

Finance.

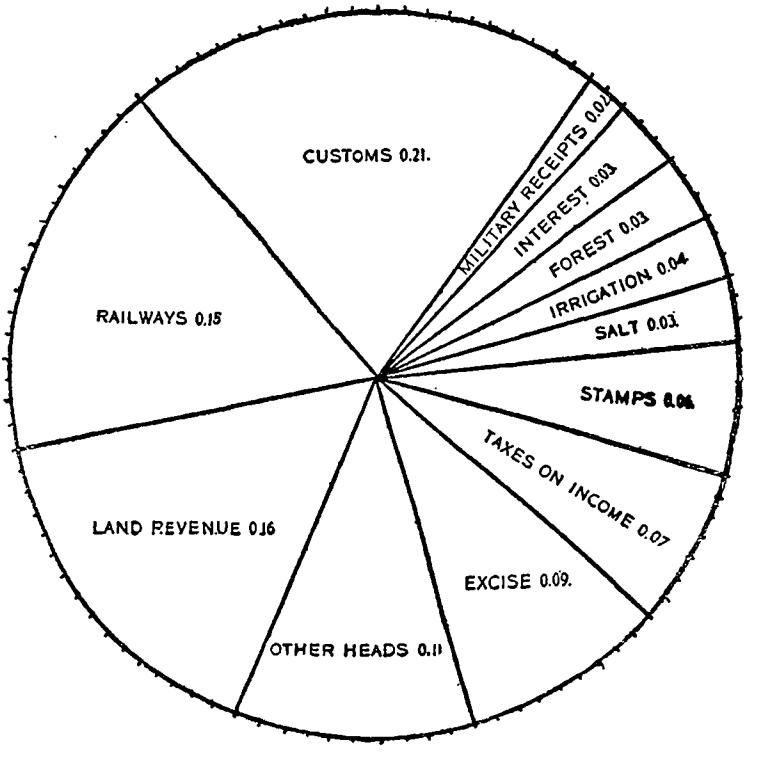
Since no previous number of this Report has given a separate chapter to Finance, the reasons for the innovation this year may with advantage be stated. Some of the most important problems now confronting the Government of India are problems of finance and these are likely to retain their eminent position for the next few years. Those who studied with any care the report of the Royal Commission on Indian Currency and Finance which was published last August cannot have failed to perceive that it foreshadowed important and far-reaching developments in the banking and general financial systems of India. Further, the immense betterment in the financial position of the Central and Provincial Governments in this country during the past four or five years deserves as complete an exposition as the size of this report will allow, because it is the result not only of skilful and courageous handling of what seemed to be at one time an almost desperate position, but because a number of technical improvements in the financial machinery of this country also helped to bring it about. And lastly, the story of Indian finances during the year cannot be adequately or clearly told unless the reader has some knowledge of the broad outlines of the financial relations between the Central and Provincial Governments in India. For all these reasons it has been thought necessary to deal with the finances of the year separately, and to expound them and the system of which they are the product as fully as the limits of space will allow.

It was said in this report last year that the Budget Statement for 1926-27 was the most favourable which had ever been presented to the Reformed Indian Legislature and was one which would make India the envy of the whole world. The Budget Statement for 1927-28 is as prosperous as its predecessor and announces permanent remissions of most of the provincial contributions and a temporary remission, which with reasonable luck should be made permanent next year, of the whole of the provincial contributions. The meaning and the importance of this statement will be shown by this chapter.

DIAGRAM.

How each Rupee of Revenue was made up in India 1925-26.

(Provincial and Central Together.)



The Rupee of Revenue 1925-26.

[The basis of reckoning is the same as that on which the accounts and estimates are prepared; working expenses of the Railway, Irrigation, Posts and Telegraphs Departments, refunds and the like being deducted from revenue and not treated as expenditure.]

A study of the Budget Statement for 1927-28, which was presented by Sir Basil Blackett to the Legislative Assembly on February the 28th, 1927, takes the mind back irresistibly to his first Budget, which he introduced on March the 1st, 1923. In his speech on that occasion he said " for five years in succession India has had a deficit. The accumulated total of these deficits amounts to no less than one hundred crores (*i.e.*, one thousand million rupees) ..... Moreover, besides the deficits of the Central Government, the recurring deficits of the Provincial Governments and of many local bodies throughout India must not be forgotten." The outlook, both for the Central Government and for the Provincial Governments, was at that time a black one, and if any person had prophesied then that four years later Sir Basil Blackett would be able to present a surplus budget after remitting hundreds of lakhs of rupees of provincial contributions, that the Indian Government would be able to borrow money at cheaper rates than the British Government, and that the provinces almost without exception would be free from their more pressing financial troubles, he would have been regarded as a very hardy optimist indeed. Yet his prophesies would have been true ones, for all these things have come to pass. Fortune has certainly smiled on the Government of India during these years by granting a series of good monsoons, but even these would have availed little had the conditions they provided not been employed with skill and courage. Great economies have been effected, particularly in military expenditure, debt charges have been vastly reduced, the financial machinery has been overhauled and improved, and the enhancement of the salt-tax in 1923 at last closed the gap between revenue and expenditure. One of the benefits, which have fallen to India from the restoration of her financial health since 1923 is the reduction of the salt-tax to half the amount imposed in that year.

Far and away the most important of all the improvements in the financial machinery of India during these years is the separation of Railway Finance from the General Finances. This statement requires the following explanation. The proposal for separation sprang in the first place from the fact, forcibly pointed out by the Committee under Sir William Acworth which investigated the Indian Railway system, that the annual allotments for railway expenditure were determined from year to year with less regard to actual Railway requirements than to the general financial position

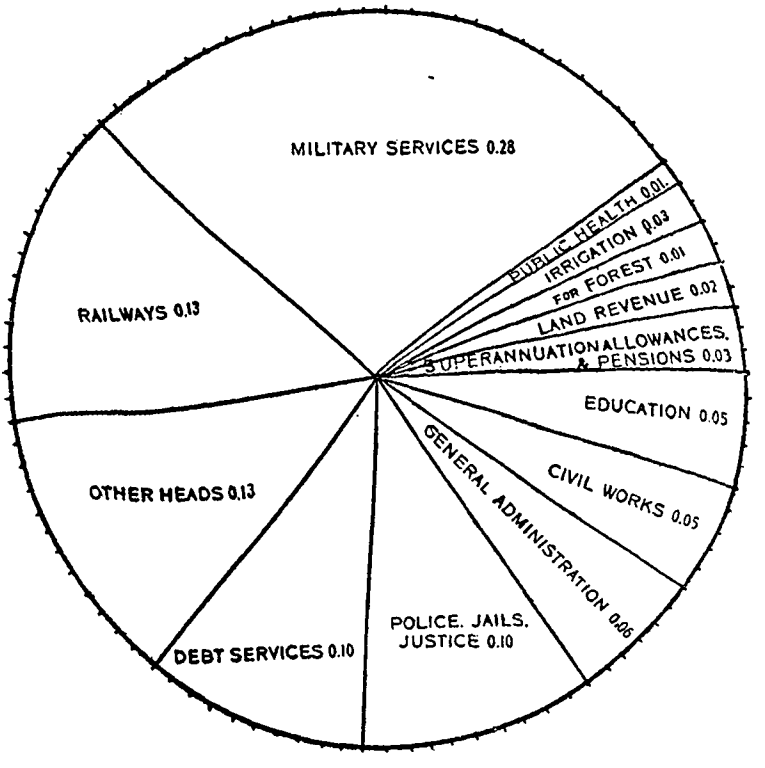
of India. The unhappy results of this arrangement from the railway standpoint were very clearly demonstrated in the Acworth Report. After investigating the matter fully, the Government of India came to the conclusion that the suggested separation would be entirely advantageous. Not only would it enable the railways of India to be financed as a business undertaking but, in addition, it would relieve the Government of many difficulties and doubts. When the general budget incorporated the gross receipts and working expenses of the railways, the difference between good and bad trading seasons and good and bad monsoons meant a difference of several crores of rupees in the budget figures. Accordingly a scheme was devised separating Railway Finances from the General Finances of India and ensuring to the latter a definite annual contribution from railways which was to be the first charge on their net receipts. This contribution was settled on the basis of one per cent. on the capital at charge of commercial lines in the penultimate year, plus one-fifth of the surplus profits in that year, interest on capital at charge of strategic lines and loss in working being deducted. The Legislative Assembly stipulated that if, after payment of the contribution so fixed, the amount available for transfer to railway reserves should exceed Rs. 3 crores, one-third of the excess should be paid to General Revenues. This railway reserve is to be used to secure the payment of the annual contribution, to provide, if necessary, for arrears of depreciation and for writing down capital, and to strengthen generally the financial position of the railways. The effect of this arrangement upon the finances of the country is that the Indian tax-payer is now assured of a regular and growing contribution in relief of taxation from his investments in railways; while the task of maintaining a continuous financial policy and of distinguishing between a temporary and permanent surplus or deficit in accounts is immensely facilitated. It was not easy to get the Legislative Assembly to agree to this arrangement, for many members feared that the control which they had hitherto exercised over railway policy might in some degree be weakened. The scheme was laid before the Assembly in the Delhi session of 1924, but no decision was reached. In the following September, however, after the project had been fully discussed in all its aspects in the public press, a final settlement was made in the terms already mentioned.

Although this separation of railway finances from the general

DIAGRAM.

How each Rupee of Expenditure was made up in India 1925-26.

(Provincial and Central Together).



The Rupee of Expenditure 1925-26.

[The basis of reckoning is the same as that on which the accounts and estimates are prepared; working expenses of the Railway, Irrigation, Posts and Telegraphs Departments, refunds and the like being deducted from revenue and not treated as expenditure.]

finances is the outstanding improvement in India's financial machinery of late years, it is not the only one, and of the others the more important may be briefly summarised. Changes have been made in the form of the demands for grants with the object of simplifying business and enabling members of the Legislature, officials, and the public to understand better the scope and meaning of the financial transactions to which they refer. Further, the total number of grants has been increased and instead of one omnibus grant for General Administration each department of the Government of India now has its own separate grant—a change which obviously makes for greater precision and responsibility in the departments themselves, and for more effective control by the legislature. Again, territorial grants have been more logically arranged and important items have been withdrawn from the grant of the High Commissioner for India in London and attributed to the grants of the different government departments concerned. This latter change resulted from an Act passed in 1924 which made imported Government stores liable to customs duties, the idea of this being to encourage the purchase of stores in India. This made it necessary for spending departments to take the customs duties into account when considering the comparative cost of goods imported from outside and those purchased in India. By including the cost of stores together with customs duties in the departmental grants this comparison was made more real and departments were enabled to use their grants for purchases in India. Not the least important of all these changes are the improvements which are continually being made in the income-tax agency and administration which have stopped a good deal of leakage and have benefited correspondingly the finances of the country. This part of our review of India's financial system may fitly close with a few words about the Public Accounts Committee. This Committee is modelled on the corresponding Committee of the House of Commons, and its scope and experience are growing year by year. Membership of this Committee is highly prized, for its influence on financial procedure is real and it is a first rate school in which to learn the methods of parliamentary procedure and control. Its members have from time to time made useful suggestions out of which, indeed, some of the improvements already noticed have arisen.

We can now turn to the relations between Central and Provincial finances in India. Anything like an adequate account of these

would, of course, be far too lengthy for this report, but if existing relations are to be understood, something must be said about their growth and development. Until the vicëroyalty of Lord Mayo, that is until 1870, the provinces exercised in their own right none but the pettiest financial powers. All the revenues collected in India were credited to the Central Government and out of these the expenses of provincial administration were paid. The Provincial Governments, in fact, were just the stewards of the Government of India. Impressed as they were with their own needs, the chief concern of the Provincial Government was to get more and more money until as Sir Richard Strachey wrote:—

> "The distribution of the public income degenerated into something like a scramble, in which the most violent had the advantage, with very little attention to reason; as local economy brought no local advantage, the stimulus to avoid waste was reduced to a minimum, and as no local growth of the income led to local means of improvement, the interest in developing the public revenues was also brought down to the lowest level."

To remedy this grave defect Lord Mayo introduced the system of making a fixed grant to each Local Government for the administration of the Provincial services, requiring it to provide for any additional expenditure by the exercise of economy and the imposition, where necessary, of local taxes. The change had the desired effect; economies were effected without loss of efficiency; small local cesses were imposed in several Provinces; and the supreme Government was relieved of a portion of the annually increasing drain on its resources. Unfortunately, this state of equilibrium did not last long and between 1870 and 1877 famine and falling exchange were responsible for fresh financial embarrassments, which in turn led to further reforms in the system. These reforms cover the period 1877-78 to 1882-83 and included the resettlement on a wider basis of the system of Provincial finance, a scheme for meeting the periodical loss due to famine, the equalization of the salt duties, and the abolition of the general import duties. In the Provincial settlements of 1870-71 a fixed sum had been made over to each Local Government to defray the cost of Provincial services, but by these subsequent reforms a share in the revenues was substituted for the fixed grant. This gave a margin which might be increased by

careful management with which to meet growing expenditure. The settlements were made liable to periodical revision and the system thus established existed with modifications until the end of the first decade of this century. This is the beginning of the division of revenue heads into central, provincial and divided—a system which lasted until the Montagu-Chelmsford Reforms. The heads of revenues which were made over to the provinces were believed to be capable of expansion by careful management and thus likely to meet provincial needs. But, of course, revenue and expenditure in the provinces could not be made to meet exactly, and so the Government of India used to make contributions to the provinces by allowing them a percentage of the very important heads of land revenue which had remained with the Central Government. This settlement was revised from time to time, usually without giving satisfaction to the provinces, and, even, being the cause of much irritation. But in time land revenue became a divided head between the provinces and the Central Government and the latter used to make fixed cash assignments to the former.

The Montagu-Chelmsford Report contains an excellent description of the last changes which were made in the financial relations between the Government of India and the Provincial Governments prior to the reforms of 1919. In the year 1904 occurred a very important development—the introduction of the system of quasi-permanent settlements. Thenceforward the revenues assigned to a province were definitely fixed, and were not subject to alteration by the Central Government save in case of extreme and general necessity, or unless experience proved that the assignment made was disproportionate to normal provincial needs. The object was " to give the Local Governments a more independent position and a more substantial and enduring interest in the management of their resources than had previously been possible." Under the old system it happened occasionally that the supreme Government were forced by financial stress to resume balances standing to the credit of the provinces when the settlement expired. This killed any motive for economy, as Provincial Governments knew that if they economised in one direction in order to accumulate money for other needs their savings were imperilled, while their reduced standard of expenditure would certainly be taken as the basis for the next settlement. Improved financial conditions and a more liberal outlook combined to remove these difficulties. Local Governments

could count on continuity of financial policy, and were able to reap the benefit of their own economies without being hurried into ill-considered proposals in order to raise their apparent standard of expenditure. But the Government of India were also gainers. Their relations with the Provincial Governments were smoothed by the cessation of the standing quinquennial controversies, and they were also left in a better position to calculate their own resources.

A little later on the provinces gained still further. Hitherto the liability for famine had lain upon them, and the Central Government stepped in only when their resources were exhausted. There was devised instead a new famine insurance scheme by which the Government of India placed to the credit of each province exposed to famine a fixed amount on which it should draw in case of famine without trenching on its normal resources. When this fund was exhausted, further expenditure would be shared equally by the Central and Provincial Governments, and in the last resort the Government of India would give the province further assistance from central revenues. In 1917 this arrangement was simplified by making famine relief expenditure a divided head, the outlay being borne by the Central and Provincial Governments in the proportion of three to one, which coincided approximately with the actual incidence under the previous system.

The Decentralization Commission of 1907 went into the whole question of the financial relations of the Central and the Provincial Governments, and proposed no radical change, but Lord Hardinge's Government decided to take the final step in the development of the system, and in 1912 they made the settlements permanent. They further improved the position by reducing the fixed assignments and increasing the provincial share of growing revenue, and they conferred a minor but still important benefit on the provinces by curtailing their intervention in the preparation of provincial budgets. Thus, at the time of the Montagu-Chelmsford Reforms the financial relations between the Government of India and the Provincial Governments were broadly these. The budget of the Government of India was made to include the transactions of Local Governments, the revenue enjoyed by the latter being mainly derived from sources of income which were shared between the Government of India and themselves. Generally speaking, certain heads of revenue, such as the land revenue, excise, salt, income tax, and the profits from productive irrigation works, were divided

between the Provincial and the Central Governments. The Provincial Governments took the receipts from Forests and Registration, as well as from Courts and Jails. To the Government of India went the revenue from opium, customs, railways, posts and telegraphs, and tributes from the Indian States. The Central Government out of these incomings was responsible for defence charges, for the upkeep of railways, posts and telegraphs, for the payment of interest on debt, and for the Home charges. The provinces from their incomings met the expenses connected with land revenue and general administration, with forests, police, courts and jails, with education and with medical services. Charges for irrigation and ordinary public works were common to both the Central and to the Provincial Governments.

This state of affairs has now passed away as a result of the changes introduced by the Montagu-Chelmsford Reforms. The authors of the Report had urged the necessity of the complete separation of the finances of the Central Government and those of the various Provincial Governments, and to this end had outlined a scheme. Their main recommendations were that no heads of revenue should continue divided, but that land revenue, irrigation, excise and judicial stamps should be completely provincialised, and that customs, income tax, and general stamps should become central heads of revenue. Inasmuch as under this re-arrangement the Government of India would lose heavily, the scheme proposed that contributions for the benefit of the Central Government should be levied on the provinces to make up the deficit. For the purpose of fixing the provincial contributions, the authors of the Report chose an assessment proportionate to the gross surplus which each province would enjoy under the new allocation of resources. In order to fix the standard on an equitable scale of contribution a Committee was appointed in January 1920 to investigate the financial relations between the new Central and Provincial Governments. This Committee consisted of Lord Meston, Mr. Charles Roberts, and Lieutenant-Commander Hilton Young. It was particularly concerned to determine first the contributions which were to be paid by the various provinces to the Central Government for the financial year 1921-22, and secondly the modifications to be made in the provincial contributions with a view to their equitable distributions. The Committee proposed that receipts from General Stamps should be credited to the provinces and not to the Central Government, and

suggested a plan by which the Provincial Governments were to contribute 983 lakhs to the Central Government in 1921-22. The standard contributions of the provinces for the succeeding years were also fixed as proportions of the total contribution necessary to make up the deficit of the Government of India, this proportion being 19 per cent. from Bengal; 18 per cent. from United Provinces; 17 per cent. from Madras; 13 per cent. from Bombay; 10 per cent. from Bihar and Orissa; 9 per cent. from the Punjab; 6½ per cent. from Burma; 5 per cent. from the Central Provinces; and 2½ per cent. from Assam. The Committee recommended that contributions should be readjusted to this standard percentage by equal increments extending over a period of seven years. Naturally this settlement did not please everybody and, indeed, it pleased very few. A predominantly agricultural provinces like the Punjab gained appreciably by having the whole of the land revenue instead of only a part as hitherto, but provinces like Bengal and Bombay, with considerable industries, were in a far less happy position. They provided the bulk of the Indian revenue from income tax and yet they could not hope for anything except a very small fraction of the revenues thus provided, and that only under certain conditions which were not likely to be realised until trade showed a marked revival. Madras, too, had special cause of complaint against the settlement. Far and away the heaviest initial contribution, namely, 348 lakhs, was demanded from her and her people and the Madras Government felt this sacrifice all the more keenly since if their standard of public expenditure had not been kept by them in the past at a comparatively moderate figure, their windfall under the reformed system of finance would not have been so great, nor consequently would their contributions. Bengal and Bombay, on the other hand, complained that they were now faced with the necessity either for reducing their standard of public living or else running into debt—a process which the Government of India was not likely to allow to proceed too far. However, the Government of India under the stress of its own over-riding necessity had no alternative but to adhere to the Meston Award, and so the Reforms opened with what some of the provinces regarded as a crippling levy on their revenues. It must be admitted that the years immediately following the Meston Settlement brought little happiness to the provincial financial departments, but it must also be admitted that the payment of provincial contributions was only one contributory

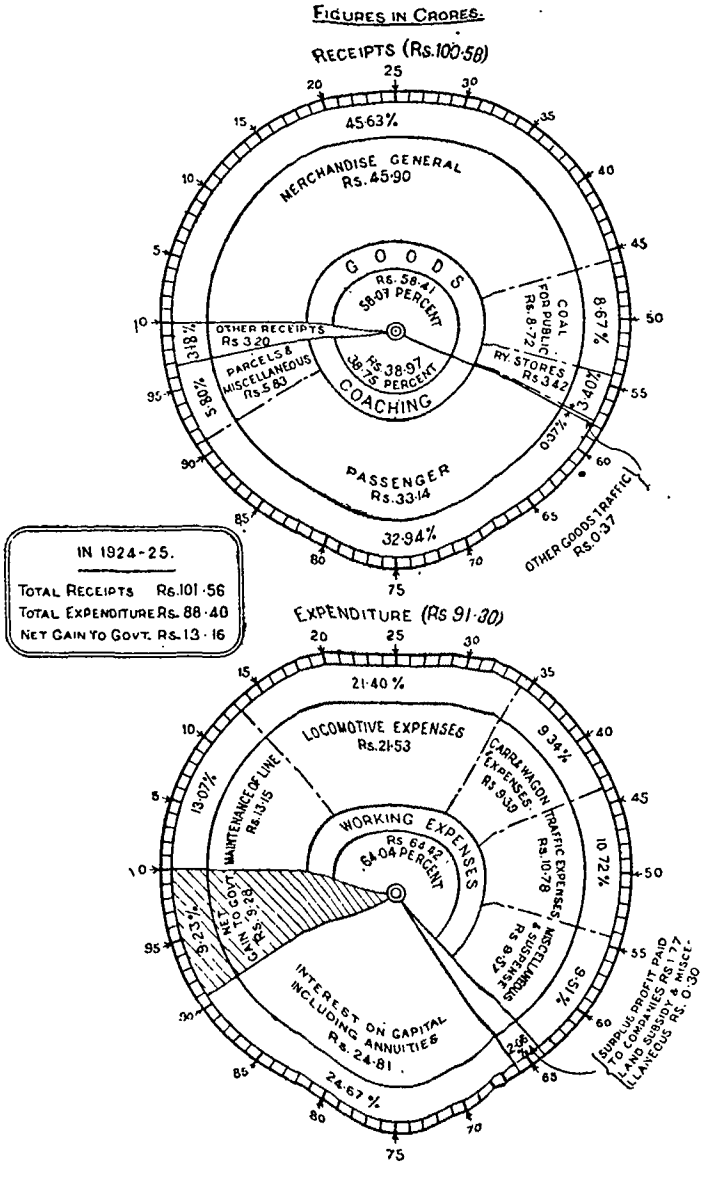
cause of this. India, like every other belligerent country, had had to divert her energies to the prosecution of the war and therefore during these early post-war years there was much reconstruction and development work to be done. The greater part of this now fell to the lot of the Provincial Governments, which also had to incur large expenditure in increasing salaries to meet the increased cost of living and in adding new staffs and new departments in accordance with the expansion of their activities and responsibilities. Thus, the years following 1920 were years of financial loanness for the provinces as well as for the Government of India. Later in this report we shall see something of the political effects of this financial stringency, particularly its effects on the working of dyarchy. The point on which we have to concentrate here is that the circumstances of these years were such as to force the provinces into heavy expenditure whilst leaving their revenues comparatively inelastic. Thus, Provincial Governments were forced to look for relief primarily to the remission of the provincial contributions, and the record of debates in the Central and Provincial Legislatures, and the output of newspaper articles and platform oratory shows how strongly the demand for remission was pressed during the years immediately succeeding the Meston Award. Obviously, however, the balancing of the central budget without the aid of provincial contributions was the over-riding condition of such remission. Something has already been said of the economies practised and the improvements made in financial machinery which at last brought about a balanced budget, and in his budget speech for 1925-26 Sir Basil Blackett, after showing a surplus of 324 lakhs of rupees, made the welcome announcement that he proposed to distribute the large sum of 250 lakhs to the permanent remission of privincial contributions. To give a full account of the system according to which the remissions of provincial contributions are to be made would weary the reader. It is enough to say that according to the system certain provinces have priority over other provinces. Madras, the United Provinces, the Punjab, and Burma were given the first claim on remissions and not until almost half of the total contributions had been remitted could any other province claim to enter the fortunate circle entitled to relief. Thereafter every province in India was to share in the relief according to the measure laid down for it, until the relief became absolute. By this first remission, therefore, Madras received the handsome gift of 126

lakhs of rupees, the Punjab 61 lakhs, the United Provinces 56 lakhs and Burma 7 lakhs. In the next Budget Statement, that for 1926-27, Sir Basil Blackett announced that a further sum of 125 lakhs would be permanently remitted to the same provinces and accordingly, of the 125 lakhs, 57 lakhs went to Madras, 33 to the United Provinces, 28 to the Punjab and 7 again to Burma. If these figures are considered for a moment they will show what these remissions mean to the provinces in terms of increased spending power, in increased opportunities for development and progress, both moral and material, and the reader will be in a position to appreciate the incalculable importance of that part of the budget of 1927-28 which deals with the further remission of provincial contributions.

Another tangible benefit to the provinces from the improvement in central finances comes from the reduction in the charge on the latter for interest since this reduces the rate which the provinces have to pay for their borrowings from the Central Government. That this is no light benefit can be seen from the extent of the borrowing by the provinces from the Central Government which in the financial year 1925-26 amounted to over Rs. 98¼ million. The establishment by the Government of India in 1925 of a Provincial Loans Fund will further benefit the provinces. In the first place it will subject their borrowing to definite principles by which the arrangements for interest and repayment will be regulated. The Provincial Governments naturally desire to spend large sums on various schemes of development and the expansion of their useful activities, and the Government of India, regarding this as a healthy and inevitable result of the Reforms, wish to help them to fulfil their desire. One of the fundamental principles of the Provincial Loans Fund is that the Provinces shall be enabled to borrow with comparative freedom, but under conditions which will safeguard the position of their creditor and give preference to the more desirable objects for which loans are asked. In the second place the Provincial Loans Fund contains the germs of an important development, for it is possible that the future will witness the administration of the fund by an Indian body corresponding to the National Debt Commissioners and the Public Works Loan Commissioners in England, the money required by the controlling body being obtained on the security of its own assets. It is clear that considerable benefits will accrue to the finances of India and her provinces if the

DIAGRAM.

Railway Receipts and Expenditure on State Owned lines in India in 1925-26.



advance made by the Central Government to the Provincial Governments can be excluded from the Public Debt of the Government of India in the same way as advances made on the guarantee of the British Treasury to public bodies in the United Kingdom are excluded from the British Public Debt. The real facts regarding the Public Debt in India will be more obvious and the facilities for raising new capital will be widened if so large a portion of the money required for capital development of all kinds is not to be raised as at present by a single borrower, namely the Government of India, on the sole security of the Indian revenues.

This prolegomenon will seem to those who have made a study of Indian financial affairs unduly drawn out, whilst to others it may possibly appear obscurely and tantalisingly brief. But it is to be hoped that it will give, at any rate, a fairly intelligible background against which to view the present financial condition of India as shown in the Railway Budget and the General Budget for 1927-28. As the Railway Budget comes earlier in time than the General Budget and is one of the tributaries of the latter, we may discuss it before we turn to the general finances of the country.

The final financial results of 1925-26 showed that the railways had contributed 549 lakhs of rupees to general revenues and 379 lakhs to railway reserves—these figures being better by 17 lakhs and 34 lakhs respectively than the revised estimates. The probable financial results for 1926-27 were, however, disappointing. A net surplus of 594 lakhs was now expected instead of 871 lakhs, the gross receipts having fallen short by four and a quarter crores, while total charges were less by 157 lakhs. The gain from commercial lines was 775 lakhs instead of 1,045 lakhs and the loss on strategic lines was 181 lakhs instead of 174 lakhs. Explaining these figures, the Railway Member said that factors beyond human control had operated to produce them. The decrease under passenger earnings was 137 lakhs and under goods earnings 242 lakhs, the latter being due to dislocation of traffic caused by severe floods in Burma and several parts of India, the partial failure of the cotton crop in the Punjab and the late movement of cotton in Bombay and elsewhere. Only Eastern Bengal and the Assam-Burma Railways had done better than expected. As for passenger earnings, while the slackness in trade had no doubt affected them, it was possible the railway authorities had been a little too optimistic in their estimate of the effect of reducing fares. While it was too early to

judge of the effect of the reduction in long distance coal freights the railways had carried more coal and had not lost any money by the reduction.

The drop in earnings was partially counterbalanced by a reduction of 171 lakhs in working expenses, though there was a slight increase of 14 lakhs under other heads including ten lakhs under surplus profits. The savings were generally accounted for by a decrease in the cost of operation consequent generally on a decrease in traffic. The most important saving, 64 lakhs on fuel, was due both to lower prices and to economy in coal consumption.

The Commerce Member, commenting on the disparity between the revised and the budget estimates, believed that these illustrated the strength of the railways' position and justified the wisdom of the Railway Board's policy. For they had had a comparatively poor year marked by exceptional floods, partial failure of crops amounting to scarcity in certain areas, and a slackness of trade proved by the fact that the total foreign trade was less by fify and sixty crores respectively when compared with the last two years. Nevertheless it was hoped to earn this year a net return of 4·77 per cent. enabling the railways to pay interest charges and face a deficit of seven lakhs which would be made good by withdrawals from the Railway Reserve in order to pay a contribution of 601 lakhs to general revenues. If the loss on strategic railways, was included, the contribution would be 760 lakhs.

Sir Charles Innes then presented a more cautious estimate for 1927-28. Gross receipts were estimated at 100·40 crores and expenditure at 91·47 crores leaving a net gain, after deducting loss on strategic lines, of 710 lakhs. Of this 548 lakhs would be paid as the contribution to general revenues and 162 lakhs of surplus were expected to be transferred to railway reserve. Thus, next year, two crores more of receipts over the revised estimate of the current year with a corresponding increase of only eight lakhs in working expenses were expected. The estimates reflected a spirit of sober optimism and a hope that on the whole the railways would be free from the misfortunes of the present year. Sir Charles Innes ended his speech by saying that the figures given in the above statement form, when properly considered, a striking proof both of the essential soundness of the whole policy of railway working and finance now being followed by the Government of India, and also show in an illuminating fashion the importance of the contributions made

DIAGRAM.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1916-17 to 1925-26.

[In thousands of Rupees.]

—	Revised Estimate.			Actuals.		
	Revenue.	Expenditure.	Surplus (+) Deficit (−).	Revenue.	Expenditure	Surplus (+) Deficit (−).
1916-17 .	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18 .	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19 .	1,27,94,65	1,34,79,88	−6,85,23	1,30,40,66	1,36,13,72	−5,73,06
1919-20 .	1,44,07,56	1,59,18,67	−15,11,11	1,37,13,98	1,60,79,27	−23,65,29
1920-21 .	1,35,10,35	1,48,03,61	−12,93,26	1,35,63,32	1,61,64,17	−26,00,85
1921-22 .	1,13,15,32	1,41,94,52	−28,79,20	1,15,21,50	1,42,86,52	−27,65,02
1922-23 .	1,20,70,17	1,37,95,52	−17,25,35	1,21,41,29	1,36,43,05	−15,01,76
1923-24 .	1,31,96,04	1,29,89,97	+2,06,07	1,33,16,63	1,30,77,63	+2,39,00
1924-25 .	1,34,82,26	1,30,82,68	+3,99,58	1,38,03,92	1,32,35,66	+5,68,26
1925-26 .	1,31,35,25	1,30,04,87	+1,30,38	1,33,32 98	1,30,01,80	+3,31,18

to the general revenues of this country by the railways, and the high value of the latter as an asset to the general economy of India.

At the beginning of his speech introducing the general budget for 1927-28 Sir Basil Blackett was able to announce that the final results of the financial year 1925-26 revealed an improvement of over 2 crores of rupees on the revised estimates for that year, and, reviewing the current year's working, he said that customs receipts had improved by 130 lakhs mainly under sugar and protective duties, the latter owing to larger exports. Taxes on income and salt showed decreases of 29 and 20 lakhs respectively. Military expenditure was 67 lakhs more on account of larger purchases and increased manufacture of ordnance and other stores. In the end, the Budget figures showed a realised surplus of 310 lakhs, a surplus for the fourth year in succession.

The position of Ways and Means, and the Public Debt, continued Sir Basil, was extremely gratifying. The Government hoped to finance their entire capital programme amounting to 27 crores, and that of the Provincial Governments, and to redeem maturing debt with less than ten crores of new money. They also hoped that this money would be forthcoming on favourable terms. They had avoided external borrowing since May 1923 and next year's budget provided for no such borrowing. The total sterling remittance programme for the next year was 35½ million pounds against 27½ million pounds in the current year.

The estimate of revenue for 1927-28 comes to 128·96 crores or 129 lakhs less than the revised estimate of 130·25 crores for 1926-27. This takes into account the reduction of forty lakhs in protective duties which will be one result of the new Steel Protection Bill, and a reduction under Opium in accordance with the policy announced last year. The estimated aggregate expenditure was 125·26 crores. This figure included a net military expenditure of 54·92 crores which, the Finance Member said, seemed to be very nearly the mimimum which is absolutely essential to maintain in a state of full efficiency an army of the strength at present authorised. The Posts and Telegraphs Department was being worked on the fundamental principle that it should not be a burden on the general tax-payer, and therefore no reduction in postal and telegraph rates could be expected till revenues improved.. The surplus of revenues over expenditure expected is 370 lakhs, a figure arrived at on the assumption that there will be no departure from the

established eighteen pence ratio. But with a sixteen pence ratio there would be a total worsening of the position by 526 lakhs which would result in a deficit of 156 lakhs. The surplus of 370 lakhs is based on existing taxation.

The Finance Member next announced the abolition of the export duty on hides, as recommended by the Taxation Enquiry Committee (costing nine lakhs), and the abolition of the export duty on tea, costing fifty lakhs, but the basis of the assessment of tea companies to Income Tax was to be altered in a manner which was expected to yield 45 lakhs. Further, it was proposed to reduce the import duty on motor cars from 30 to 20 per cent. *ad valorem*, and that on tyres from 30 to 15 per cent. The removal of the import duty of fifteen per cent. on rubber seeds and stamps was proposed in compliance with special representations from the Burma Government which saw in this step a means of helping an important adolescent industry. The stamp duty on cheques and on bills of exchange payable on demand would be abolished with effect from July 1st 1927. Lastly, the proposal was made to raise the import duty on unmanufactured tobacco from one rupee to one and a half rupees per lb., the expected yield of this change being 18 lakhs. The net effect of all these measures would be a reduction of revenue by six lakhs, bringing down next year's surplus to 364 lakhs.

This surplus the Finance Member regarded as recurrent and one which should normally be used for the remission of provincial contributions. It falls short of the amount required to make a clean sweep of all contributions by 181 lakhs, which, by a coincidence, represented the amount given up by abolishing the unlamented Cotton Excise Duty. But an appeal for help had been received from Bombay and as it was inexpedient to favour one province at the expense of others the Government of India had decided to divert a portion of the current year's realised surplus from the usual debt redemption to the remission of all outstanding provincial contributions for the next year only. The extent of the relief thus afforded to the provinces by this statement of the Finance Member will be readily understood when it is realised that the following amounts in permanent and temporary remissions respectively will be distributed among the provinces. Madras 116 and 49 lakhs, Bombay 19 and 37, Bengal 9 and 54, the United Provinces 99 and 52, the Punjab 60 and 26, Burma 31 and 19, the Central Provinces 8 and 14, and Assam 8 and 7 lakhs. To make the story complete

the miniature province of Coorg is relieved of her annual contribution of Rs. 12,000. Besides the above, Bombay gets a special relief of 28 lakhs, this being half of the full contribution which she ought to have paid during the current year. The total amount thus diverted to the provinces is 545 lakhs which will be available for the development of the " nation-building " services which all true friends of India have at heart. A balance of 101 lakhs from the current year's surplus is to be kept as a nest egg for use in connection with the inauguration of the Gold Bullion Standard and the Reserve Bank.

Unfortunately the atmosphere both of the Assembly and of certain parts of India at the time of the presentation of the Budget was vitiated, as we have seen, by the controversy over the stabilization of the rupee, and the undoubted merits of the above statement were thus not acclaimed as frankly as they would otherwise have been. Still, in spite of the charges made in some quarters that the Budget for 1927-28 had been framed as a monumental defence of the Government proposal to stabilize the rupee at 1*s.* 6*d.* gold, criticism was softened to some extent by the jubilant realisation in the provinces that the burden of provincial contributions had at last been rolled from their backs, and that even that part which was only temporarily remitted by this budget stood a good chance of being permanently remitted by the next. At any rate, few will be found to deny that this budget is a worthy result of the efforts and sacrifices of the past four years or to hope that it will prove to be the prelude to a period of financial prosperity and development.

The Report of the Royal Commission on Indian Currency and Finance promises to prove the herald of this hoped for period.

We have already seen that the report was given great political importance in this country by the powerful agitation which was raised against one of its recommendations, namely, the recommendation to stabilize the value of the rupee at 1*s.* 6*d.* gold. At this point we shall have to study the report as a whole, and, in consideration of its importance and comprehensive character, at some length. But before doing so a few words may be said about the circumstances in which the Commission was appointed. India, like every other country in the world, had her currency system severely tested by the Great War. Silver rose to a high price and the metal contained in her token coin, the rupee, became worth far

more than its nominal value so that the Indian Government found it difficult to continue their unlimited offer of rupees at the old rate. Again, throughout the war the balance of trade moved heavily in India's favour and exceptional payments had to be made on behalf of the British Government. The demand for internal currency could not be supplied on the pre-war terms and the Indian Government had to let the value of the rupee follow the course of silver prices with the inevitable result of a rapid rise in its exchange value which in December 1919 reached 2*s.* 4*d.* sterling. In May 1919 a Commission was appointed to examine the effect of the war on the Indian Currency System and to make recommendations regarding the policy which ought to be adopted to meet trade requirements, to maintain a satisfactory monetary circulation, and to ensure a stable gold exchange standard. The Committee's terms of reference in effect compelled them to give the greater part of their attention to re-establishing the exchange value of the rupee, and, in view of the high price of silver and the importance of safeguarding the token character of the rupee they recommended the stabilisation of exchange at 2*s.* gold. The Committee further recommended that the Indian Government should be given the authority to sell a fixed amount of Reverse Councils weekly when exchange was weak. Owing to circumstances which are sufficiently well-known, the attempt to maintain the 2*s.* rate failed as also did the attempt to keep it at that rate by the sale of Reverse Councils. World prices were falling and the Government of India were unable to contract currency in sufficient quantity to keep pace with the fall of prices. Some contraction they did effect, but not enough to stop the fall in exchange, which early in 1921, reached the low level of 1*s.* 3*d.* sterling and 1*s.* gold. However, two years later the rupee exchange began to show signs of strength and by October, 1924, it had reached 1*s.* 6*d.* sterling and about 1*s.* 4*d.* gold. From that time until the Currency Commission began their sittings in 1926, the rupee exchange continued to strengthen and was prevented from rising above 1*s.* 6*d.* only by free purchases of sterling by the Government of India. As sterling returned to parity with gold about the middle of 1925, the exchange value of the rupee has been kept within the gold points corresponding to that rate ever since. The object of the Hilton Young Commission then was to examine the existing currency system of India, to determine its advantages and defects and to make proposals for remedying the latter.

The report deals with the following main topics:—

(*a*) The establishment of a gold standard for India;
(*b*) the creation of a Central Bank, its organisation and responsibilities;
(*c*) the ratio of the rupee to gold and
(*d*) the arrangements to be adopted during the period which must elapse before the Central Bank can be brought into being.

It was signed by all members of the Commission and contained a minute of dissent by Sir Purshotam Das Thakurdas, which will be mentioned in due course.

The first part of the report—about one quarter of the whole—is occupied by a discussion of the existing currency system of India and its defects and may be summarised as follows:—In the first place, the system is far from simple and the basis of the stability of the rupee is not easily intelligible to the public. It is quite true that, as Mr. Keynes said as long ago as 1913 in his book "Indian Finance and Currency." "In the Gold Exchange Standard and in the mechanism by which this is supported, India..... is in the forefront of monetary progress." But only students could appreciate the merits of this mechanism and therefore, if it could be replaced by something easier for the ordinary citizen to understand, it would be advantageous to do this. The Indian Currency consists of two tokens in circulation paper notes and silver rupees—which are mutually convertible and there is also the unnecessary excrescence of a third full-value coin—the sovereign—which does not circulate at all. Further, the rupee token, into which there is an unlimited liability to convert the note token, is very expensive and is liable to vanish from circulation if the price of silver rises beyond a certain level. Secondly, the Commission criticises the system of reserves with its cumbrous duplication into the Paper Currency reserve and the gold standard reserve and the dangerous and antiquated division of responsibility for control of credit and currency between the Government of India and the Imperial Bank. The Government control currency and the credit situation is controlled, so far as it is controlled at all, by the Bank. Thirdly, the expansion and contraction of currency are wholly dependent on the will of the currency authority and do not expand or contract automatically. Lastly, the system is inelastic.

" In consequence of these defects," the report says, " the system has not the confidence of the public." After exhaustive enquiry the Commission found that there were three methods by which the defects in the system might be remedied, namely, (1) the perfection of the sterling exchange standard, (2) the adoption of a gold exchange standard, and (3) the adoption of a gold standard proper, with or without a gold currency. Against the sterling exchange standard, however perfect it were made, the Commission objected that the silver currency would still remain subject to the danger implied in a rise in the price of silver and also that if sterling were once more to be divorced from gold, the rupee would also be similarly divorced. Should sterling be heavily depreciated Indian prices would have to follow sterling prices, however high the latter might go, or else India would have to absorb some portion of the rise by raising her exchange. A gold exchange standard, the Commission reported, could be secured by providing that the currency authority should undertake an obligation to buy and sell at the upper and lower gold points respectively unlimited amounts of the currency of any of the principal foreign countries with a gold standard. This system, however, would suffer from the drawbacks that the silver rupee would vanish as soon as the price of silver rose above the melting point of the coin, and also that it would be too complicated for the public to understand. Somewhat naturally the people suspect the mechanism of an exchange standard and want some link.not only real but conspicuously visible between their currency and gold.

Before describing their own solution of this problem the Commission dealt in their report with the proposed scheme for the establishment of a gold standard with a gold currency which had been prepared by the Finance Department of the Government of India. The details of the scheme need not be described here, but it assumed the transfer of the management of the paper currency and the conduct of the Government of India's remittances to the Imperial Bank of India, and when the scheme came fully into operation, that gold coin and bank notes should be unlimited legal tender and rupees up to Rs. 50 only. The Government would be under a statutory obligation to give gold coin in exchange for gold bullion, the bank would be under a statutory obligation to buy gold, and bank notes would be payable on demand in gold coin. The chief objects

of this scheme were to eliminate the threat to the currency inherent in the possibility of the rise in the price of silver and also to cure the uneconomic habit of the people of holding the precious metals as a store of value. The chief objections which the commission found to this scheme were the insuperable difficulties which must be encountered in obtaining the necessary credits. For, to introduce the scheme in all its stages would require £103 millions of gold, whilst the annual cost of the scheme would be considerable. Again, the Indian Government would have for disposal about 200 crores of silver rupees and the effects of this on the silver market throughout the world are obvious. Other silver using countries, particularly China, might follow India's example and in any case the large extra demand for gold from India would cause increased competition for gold among the countries of the world and lead to a substantial fall in gold prices and a substantial curtailment of credit which, in their reaction on India, would on balance be unfavourable.

The standard which the Commission favoured may be described as a Gold Bullion Standard, the essence of which is that the ordinary medium of circulation in India should remain, as at present, the currency note and the silver rupee, and that the stability of the currency in terms of gold should be secured by making the currency directly convertible into gold for all purposes, but that gold should not circulate as money. An obligation should be imposed by statute on the currency authority to buy and sell gold without limit at rates determined with reference to a fixed gold parity of the rupee but in quantities of not less than 400 fine ounces, no limitation being imposed as to the purpose for which the gold was required. Since gold bars are to be given in exchange for notes or silver rupees, not for export only, but for any purpose, this is not an exchange standard but an absolute gold standard. In order, however, to protect the wholesale bullion market, it was essential that the currency authority should not become the cheapest market for gold in India or provide gold for non-monetary purposes and the Commission proposed that the conditions governing the sale of gold should be so framed as to achieve these purposes. This could be done by fixing the selling prices of gold at rates which would enable the bank to replenish its stock of gold without loss by importation from London. There is no need to detail the various technical recommendations which the Commission made in relation to this main proposal, for

its scope will be appreciated the more clearly by those who have not made a special study of finance if they are omitted.

It is when we come to the Commission's third recommendation, the creation of a Central Bank, that we reach the most original and valuable part of their Report. The proposal is not a new one, but the Hilton-Young Commission was the first to advocate it wholeheartedly and to demonstrate effectively, after thorough examination of the subject, the connection between the function of gold in India and credit control and the correcting mechanism generally. The Gold Bullion Standard controlled by the Central Bank would give India a monetary system which would be complete and which, when properly understood, would satisfy opinion in this country. Later in this chapter, the legislative measure which comprises the Commission's proposals for a Central Bank will be described in some detail. Here it is only necessary to point to its importance as another step in India's progress towards autonomy. Hitherto, her currency policy has been subject to control by the India Office acting through the Government of India, which, as we have seen, is the currency authority in this country. It was inevitable that, sooner or later, the measure of political autonomy already attained through the Reforms of 1919 should be balanced by a measure of autonomy in currency affairs, and the Reserve Bank Bill is the instrument by which this measure of autonomy is to be gained. Its ultimate effect would be to remove the control of Indian currency from Government to a Central Bank established in India.

The Currency Commission's Report is full of interesting and valuable discussion of various technical problems such as the best means for ensuring elasticity of the reserves, the question of internal stability, and the problem set by the silver rupee, but to go into these would be to weary the general reader and obscure the outlines of the main themes.

To the Report Sir Purshotamdas appended a minute of dissent in which he differs from his colleagues on two main points, namely, on those relating to the formation of the Reserve Bank of India and the stabilisation of the rupee at 1*s.* 6*d.* gold. He admits the benefits of the Reserve Bank, but argues that in view of the special conditions of India, the purpose of the Commission in this regard would be best served by developing the Imperial Bank of India into a Central Bank. As regards the rupee ratio he recommends stabilization at 1*s.* 4*d.* gold on the grounds that the greater part of the general

adjustment of prices to 1*s.* 6*d.* was still to come, that no adjustment in wages had taken place, and that until the general adjustment of prices is complete, the 1*s.* 6*d.* ratio gives the foreign manufacturer an indirect bounty of 12½ per cent. He also believed that the 1*s.* 4*d.* rate should be regarded as the natural rate for the rupee and that any alteration would have serious political effects in India.

It is unnecessary to undertake any elaborate comment on this summary of the Royal Commission's Report, for the reader will immediately perceive that its proposals, if carried into effect, will be literally epoch-making, for those which relate to the proposed Reserve Bank and its functions will start a new epoch in the history of Indian banking and the organisation and administration of Indian currency and finance generally. These proposals have been embodied in a Gold Standard and Reserve Bank of India Bill which was introduced in the Legislative Assembly on January the 25th, 1927, and, after being circulated, was referred to a Joint Select Committee of the two houses of the Central Legislature, by whom it is now being considered. One very far-reaching consequence of this Bill, namely, the large measure of freedom in currency policy which it would confer upon the proposed Reserve Bank of India, has been already noticed and here its contents may be examined more closely. Before doing this, however, we shall find it an aid to our understanding of the contents of the Bill and their implications if we review as briefly as possible the existing organisation of banking in India.

Indian banks fall into four well-defined classes: First there is the Imperial Bank of India, with its many branches all over the country, numbering over 160, in addition to about 20 sub-agencies. Next come the exchange banks, which are really branches in India of banking corporations whose main interests are in Europe or the Far East and who finance the Indian export trade as an important addition to their main operations. Next come the Indian joint-stock banks, and lastly the numerous and heterogeneous group of Indian bankers, brokers, Marwaris and so on, whose operations are almost entirely confined to the interior of India. It is the members of this group who finance the movement of crops to the ports where the exchange banks, so to speak, take them over and begin their operations. It is well-known that India is woefully short of banks and it has been calculated that there are still approximately 500 towns in India with populations of 10,000 and upwards which

enjoy no modern banking facilities at all. The circumstances of India and the events of her history throughout long centuries have implanted certain habits, they might even be called instincts, in the breasts of the Indian people in connection with the disposal of their money. Over large stretches of India at all times the security of property was slight before the Pax Britanica ensured order and safety. The banking habit, therefore, had no chance to develop and the habit of hoarding grew up in its place among those who were fortunate enough to have anything to hoard. Moreover, the operations within recent years of unscrupulous promoters of bogus banks have not tended to increase the confidence of the Indian public in banking. Every province in India has suffered from the malefactions of these criminals with consequent injury to the development of banking within its limits.

In order to provide more banking facilities in India and to remove as far as possible the disabilities arising from the absence of a central bank, the Imperial Bank of India was brought into existence in 1920 by the amalgamation of the three Presidency banks. In granting the Imperial Bank certain privileges the Government of India took from it an undertaking that it would open one hundred new branches within five years of its inception. This condition was fulfilled and the importance of the Imperial Bank's contribution to the progress of Indian banking can thus be readily appreciated. By recruiting numbers of young Indians to be trained as bankers the Imperial Bank is rendering further services of immense value to Indian banking. Although the Imperial Bank holds a large part of the Government of India's balances and acts for it in many ways, it does not exercise some of the most important functions of a true central bank. In particular, it has no control over the currency system and only an inadequate control over credit. The Gold Standard and Reserve Bank Bill sets out to remedy all this by proposing to give to India a central bank with functions appropriate to such an institution. As the name of the Bill suggests, its contents can be conveniently divided under two heads—the Gold Bullion Standard and the Reserve Bank; but, of course, though these two subjects can be divided for purposes of study, they are intimately bound up one with the other. The new gold bullion standard introduced by the Bill throws upon the currency authority certain important and very difficult duties which render imperative an improvement in the organisation and control of the currency machinery and also a

unification of the control over the reserves. Under the Bill, it was proposed that the Indian Currency standard should between now and 1931 be a gold exchange standard. By this Bill the Reserve Bank would take over from the Government the position of currency authority and would also take over the undertaking to give gold exchange for legal tender in India and to accept legal in exchange for gold. But after India and to accept legal tender in exchange for gold. But after 1931 there would be laid on the Reserve Bank, as currency authority, an absolute obligation to give gold in exchange for legal tender and to pay out legal tender for gold at prices fixed in relation to the parity of the rupee.

We can now turn from the gold bullion standard to the question of the Reserve Bank, whose importance for India it is difficult to exaggerate. Clearly the Reserve Bank would represent an enormous step forward in the development of India's financial and monetary machinery and would, as Sir Basil Blackett said when introducing the Bill, " assist that gradual silent revolution in India's economic life which promises to bring higher opportunities of life and higher standards of living to every one in the country." The Imperial Bank of India would be able to continue with greater freedom than at present its task of extending banking facilities all over India whilst the Reserve Bank would be able to take over from the Government of India many of the essentially banking functions which they at present perform. The Government's remittance business and their responsibility for the note issue would be taken over by the bank, whilst the Secretary of State has made known his willingness to introduce into Parliament the necessary legislation to enable the control of his balances to be handed over to the new Reserve Bank in London. In addition to taking over all the Government business, the Reserve Bank would concentrate the banking and currency reserves of India and would enter into special relations with the other banks in the country. It is proposed to make it obligatory on other banks in India to keep with the new Reserve Bank $7\frac{1}{2}$ per cent. of their demand liabilities and $2\frac{1}{2}$ per cent. of their time liabilities. The rediscounting facilities offered by the Reserve Bank would ensure to the assets of these banks much greater liquidity than they can have under existing conditions. Their credit should be, therefore, greatly improved and the Reserve Bank would be able to secure that control of the money market which is an essential ingredient in a proper monetary system. In addition,

the Bill proposes that the other banks shall make certain specific monetary returns to the Reserve Bank—a provision which should undoubtedly tend to strengthen public confidence in the banks. As the Finance Member said towards the end of his speech introducing the Reserve Bank Bill, the adoption of the system, which it contemplates will ensure that " India will move forward towards that financial and economic development with the granting of additional financial and banking facilities for Indian agriculture, Indian commerce, and Indian industry, which has been the theme and object of one commission and committee after another. We shall see the development of a discount market and an acceptance business of increased facilities for the marketing of produce and, in short, a gradual mobilization of India's immense potential capital for the development of India's own resources."

Of some importance in connection with the extension of Banking in India is a recommendation of the External Capital Committee of 1924 that an Institute of Bankers should be formed. At a meeting of representatives of various banks held in Bombay it was unanimously agreed to appoint a sub-committee to go into the details of the scheme. In view of the interest displayed in this matter by the banks there is good reason to hope that the scheme will come to maturity within the near future.

In the introductory part of this chapter an account was given of the Provincial Loans Fund, from which some idea of its importance in the financial organisation of this country can be gathered During the year 1925-26, the latest year for which audited accounts are available, the Fund advanced Rs. 9,82,64,000 to various provincial Governments, of which Rs. 842 lakhs were advanced for productive purposes. During this year the cost to the Government of India of new borrowing was estimated at 5·5 per cent. and this rate of interest was, therefore, charged for advances to provinces for productive purposes. It was decided during the year, with the approval of the Secretary of State, that advances taken from the fund by Provincial Governments for the purpose of granting loans to local bodies should be regarded as advances for productive purposes. A similar classification will be applied to advances taken from the fund for the purpose of granting loans to agriculturists and to co-operative credit societies.

During the year under review the Government of India issued a Rupee Loan which took the form of a 4 per cent. tax-bearing

issue repayable at par on the 15th September, 1970, or at the option of Government on or after the 15th of September, 1960, at three months notice. The issue price was Rs. 88 giving a yield of nearly $4\frac{3}{4}$ per cent. Subscriptions to the loan were payable in cash, in 6 per cent. Bonds 1926, 6 per cent. Bonds 1927, or $5\frac{1}{2}$ per cent. War Bonds 1928. These Bonds were accepted at Rs. 101, Rs. 102-4-0, and Rs. 106-8-0 respectively, per Rs. 100 nominal as the equivalent of cash in subscription to the loan.

In the Loan Notification it was announced that the loan would open on the 7th June, 1926, but would be closed without notice to subscriptions in cash and in the form of 1926 Bonds as soon as the total subscriptions in these two forms amounted to approximately 25 crores, and, in any case, not later than the 26th June, 1926. The loan, however, remained open for subscription in the form of 6 per cent. Bonds 1927 and $5\frac{1}{2}$ per cent. War Bonds 1928 without limit of amount up to the 26th June 1926.

Conditions were extremely favourable for the floatation of the loan. The public distrust of industrial issues brought about by the large losses incurred in industrial investments during the last three or four years still continued, and for some months there had been a growing demand for Government securities, while the supply of such securities was less than normal owing to the absence of a cash Government loan in 1925. Moreover, the monetary case during the busy season of 1925-26, when the bank rate did not rise above 6 per cent., indicated that interest rates were likely to decrease. The appreciation in the price of Government securities, which was the natural result of these conditions, was accelerated by heavy speculation in Bombay from January onwards, and this speculation reached its height just about the time when the loan notification was issued. Three or four days after the issue of the notification the new loan was quoted freely at a premium of Rs. 3 as a result of heavy forward buying, but before the loan actually opened for subscription it was clear that the speculators in Bombay were beginning to find difficulties in financing their large holdings of securities, and on the 7th June the premium had fallen to ten annas. In these circumstances, the Government offer met with a response unique in the history of Government loans in India. There was a rush of subscribers on the opening day, and the loan was closed to subscriptions in cash and in the form of 6 per cent. Bonds 1926 within about $2\frac{1}{2}$ hours of the time of opening. After the loan had been closed

to subscriptions in cash and in the form of 1926 Bonds, it soon became apparent that the speculators in Bombay were overloaded and the loan went to a discount, which at one time was as large as Re. 1-8-0 and was not below four annas at any time before the 26th June, the date up to which subscriptions in the form of 1927 and 1928 Bonds were received. For this reason conversions of these Bonds amounted only to a little over four crores of rupees.

In last year's report an account was given in some detail of the findings of the Taxation Enquiry Committee, which had been occupied between the end of 1924 and the beginning of 1926 in enquiring into the whole scheme of taxation—central, provincial and local—in India with the object of determining how the burden of taxation was distributed between the different classes of the people and considering whether it was equitable and economically sound. From what has been said already in the earlier part of this chapter, the reader will perceive that no enquiry into the distribution of taxation between the central, provincial and local governments could be carried on without the Meston Award coming within its purview, and, of course, some of the Taxation Enquiry Committee's recommendations, notably those concerned with the re-transfer of certain stamp duties to the Central Government, and with the allotment to provinces of a share of the income tax receipts affect the Meston Award very directly. In the Simla session of 1926, Sir Basil Blackett moved a resolution recommending to the Governor General in Council that he be pleased to take into consideration the report of the Indian Taxation Enquiry Committee. The object of this resolution was merely to fulfill a promise of the Government of India that before they took any action on any of the recommendations of the Committee they would give the Legislative Assembly full opportunities for discussing them. In his speech on this occasion Sir Basil Blackett explained clearly to the House the relations between the Taxation Enquiry Committee's Report and the Meston Settlement and showed that the latter had laid down finally the broad outlines of the financial relations between the Central Government and the provinces and that alterations in it would be in details and not in principles. Further, he emphasised that the central revenues could not be called upon to make any new concessions to any of the provinces until they had fulfilled their primary obligation of getting rid of the provincial contributions. After a brief discussion, consideration of the Report was adjourned *sine die*.

This, however, did not mean that the Committee's recommendations were to be shelved. The budget for 1927-28 contained two proposals for changes in taxation based on the Report. These changes related to the abolition of the export duty on hides and the reduction of the import duty on motor cars and various motor accessories. The first of these proposals, it will be remembered, was rejected by the legislature, but the second was accepted.

This discussion of financial affairs during the year may be closed by a reference to the scheme for the separation of Accounts and Audit of which, a full account was given in last year's Report. The scheme is reported to have worked fairly well during the year, but its extension from the United Provinces to the other provinces in India does not appear as a step likely to be taken in the immediate future. Before this can happen, its success in the United Provinces will have to be fully established. Experience of the scheme in this province has shown that although it involves extra expenditure, this is counter-balanced to a considerable degree by the economies which result from the closer check on expenditure and from reductions in establishment charges.

CHAPTER VI.

External Relations, Military, Aerial and Naval Affairs.

The traditional isolation of the East and particularly of India is now a thing of the past. This remark has all the appearance of a platitude, but it is a platitude only as far as it relates to the physical and geographical isolation of the east, for it is obvious to the most casual mind that the latest developments of mechanical invention have brought Karachi within 60 or so flying hours of London, whilst the submarine cable has long since annihilated time and space as far as the interchange of news and information between England and India is concerned. Railways, steamships, and the immediate transmission of news, long ago joined India to the general economic system of the world and made her one of the constituents of the world market. In these material things, then, the evidence of our senses is proof of the assertion with which this chapter opens. But its deeper meaning is not quite so obvious. For years after the establishment of British Rule in India she remained an essentially isolated, self-centred political and cultural system. With the affairs of the outside world, and even with those of the rest of the British Empire she had no concern, and it was not until after the assumption of the Government of India by the Crown that her educational system and the growth of a habit of over-seas travel by her people gradually broke down some of the barriers to mental and spiritual intercourse with the western world. Of the forces which have shaped the events of Indian history and determined the conditions of Indian life during the past half century, the most vital have been the process of mechanical invention, which, by making travel and communications between the West and the East speedy and certain, has brought India within the orbit of western ideas, and India's reaction to this process with many results political, cultural, racial and economic, to trace which will be the task of some historian of the future. And of this process no part is more important than the steady growth of India's interest in affairs, particularly political affairs, outside her own borders. In a sense she has been concerned with the external affairs of the United Kingdom and the British Empire ever since her government

passed into British hands. But this concern was only remote and accidental. Until recently the people of India could not feel that they had any living interest in such matters since they had no voice in them and were not even in direct contact with them. Since the war, however, her improved international status, her growing economic stake in the world, and her representation in the Imperial Conferences have provided her with both the incentive and the need for taking a close interest in world politics and affairs. In particular the presence of large numbers of her nationals in various parts of the British Empire has forced her to take an interest in the domestic politics of the Dominions and Crown Colonies and in Imperial politics in general, especially when these are concerned with the Near East and Asia. Thus, as one of the members of the British Commonwealth, India has found her interest insensibly widened and attracted outwards until very few parts of the world are left in which she has no interests of any kind. In fact India's importance in international affairs is steadily growing and is already far from negligible. But, interesting as it would be to develop this theme, it is outside the scope of the present chapter.

Turning now from this wider topic, we see that India has her own external interests which are peculiar to herself and which fall broadly into two classes sharply distinguished from each other. There are first her relations with her immediate neighbours on her landward side, and secondly her guardianship of the interests of her people overseas, most of whom are living in some part or other of the British Empire. The problems raised by this second class, as already indicated, are ultimately problems of Imperial politics, whilst the former resolve themselves primarily into problems of defence. This latter dictum does not mean of course that India constantly apprehends danger from all her neighbours across her land frontiers. Such a notion is far from the truth as a brief description of India's frontiers and her neighbours will show. The land frontiers of India are about 6,000 miles in length, and over the greater part of that distance she touches only comparatively weak and undeveloped States. Here and there, however, her borders march with those of powers of some importance. In a far away corner of Baluchistan, from the Koh-i-Malik to the sea, the Indian and Persian borders meet, whilst Afghanistan and India join in northern Baluchistan. From Baluchistan the Durand line runs

northward for some hundreds of miles to demarcate the boundary between Afghanistan and the belt of tribal territory, which, since 1894, has been formally included within the boundaries of India. From the Khyber we have to undertake the immense journey to the north-eastern confines of Burma before we reach a spot where the boundaries of India again touch those of a really important independent power. There, for about a thousand miles, the frontier divides Burma from China. South of the Chinese frontier, Burma touches part of French Indo-China for a hundred miles and then marches for 600 miles with Siam. The remoteness of the Sino-Burmese frontier from the centre of Chinese Government has hitherto prevented this frontier from acquiring any importance, and the north-eastern frontier problem, therefore, has up to the present been nothing more formidable than how to deal with the incursions of occasional bands of brigands, a task which the Burma Military Police have found themselves competent to handle. Thus when mention is made of the Indian frontier problem what is really meant is the north-west frontier problem.

Any study, however brief, of North-West Frontier history and policy will show the frontier problem becoming more and more complex and difficult as communications improve and weapons of precision are perfected. It is usual to regard the North-Western Frontier problem as being concerned only with the relations between the Government of India and the war-like tribes who inhabit the stretch of difficult mountain country between the administrative border and the Durand Line. But in truth these are nothing more than one factor in a problem of far wider scope. Leaving aside the domestic question of the most desirable form of government for the North-West Frontier Province, a question about which there has been some controversy since the inauguration of the reformed constitution in the other provinces of India, there is also the international aspect of the problem provided by the relations between India and Afghanistan and finally there is the military aspect of the problem, the defence of the frontier, which in the last resort embraces all the other factors and is the frontier problem *par excellence*.

From the dawn of history the North-West Frontier has been the gateway into India through which have poured Persians, Greeks, Scythians, and Mohammadans. Before the keys of the gate passed

KHYBER PASS LOOKING TOWARDS PESHAWAR.

into British hands with the conquest of the Punjab in 1849, the threat of an invasion by Napoleon Bonaparte and the ambitious schemes of the Emperor Paul of Russia had caused the British to look anxiously to the North-West and begin their North-West Frontier policy untimely with embassies to Persia and Afghanistan. Malcolm and Elphinstone were the forerunners of a long line of distinguished "politicals" who for the past three or four generations have been both the instruments and the makers of British policy on the North-West Frontier. The ill-starred military adventure known as the first Afghan War was the first overt move in the long duel between Great Britain and Russia in Asia. Conducted for the most part by diplomats, the duel led to no armed clash between the two principals, although in 1885, following the incident at Penjdeh, war between Great Britain and Russia seemed inevitable. This, however, proved to be the last of the really dangerous war scares between the two countries, and with the Anglo-Russian Agreement of 1907 a period of less troubled relations began and continued to the downfall of the old Russian Empire in 1917. Since the change of the régime in Russia causes for anxiety in this quarter, though of a different character from those of forty years ago, have been renewed. The North-West Frontier is still the solar plexus of the British power in Asia and the military problem of the frontier is rightly described as the frontier problem *par excellence* in the present circumstances.

But although the international and the main military considerations connected therewith form ultimately the most important elements of the frontier problem, these are not, so to speak, the day-to-day frontier problem. This is provided by the relations between the Government of India and the tribes who live between the administrative border and the Durand Line, and is a problem partly diplomatic, or, as it is called in India, "political," and partly military. The political officers guide the tribes as far as they can along the path of peace and friendliness with India, whilst the army and various armed civil forces on the frontier stand by to repel raids or more serious aggressive actions by the tribesmen. The military history of the frontier has been adequately written more than once, but its "political" history still remains unchronicled as a whole. Its outlines were attempted in last year's report and only the gist of what was there written need be repeated here. But first it will be

as well to describe briefly the physical features of the North-West Frontier.

The word frontier as used in India means the whole tract of country which runs from the Hindu Kush in the north down to Chaman in the south and is bounded on the West by Afghanistan and on the east by the river Indus. The Hazara District, it is true, lies east of the Indus, but geographically and ethnically it belongs partly to Kashmere and partly to the Punjab, and the tribes on its border, who are mostly somewhat backward off-shoots of the great Yusafzai tribe, do not present such a formidable problem as do the war-like and well-armed people on the borders of the four trans-Indus Districts. In this large area we distinguish the five settled districts of the frontier province and the so-called transborder, that is, the stretch of mountain country between the administrative border and the Durand Line whose inhabitants provide what we have called the day-to-day problem of the frontier. Stretched all along the administrative border and, thrust forward into the hills here and there, as in the Malakand, and in the Khyber, Kurram, and Tochi valleys, and along the Zhob Road which runs through the Sherani country south of Waziristan are military cantonments, or posts held by regulars, militia, Frontier Constabulary, scouts or khassadars, whilst at the north and south respectively of the long line stand the two great bastions—Peshawar and Quetta.

The transborder tribes are linked to each other from North to South, and military operations against any one of them are apt to produce sympathetic effects among the others. These tribes are among the hardest fighters in the whole world and only picked and highly trained troops can compete with them on anything like equal terms in their own hills. They are believed to number nearly three millions, of whom at least half are males and of the latter close on three quarter of a million are regarded as adults and fighting men. Their armament has vastly increased within the last few years, and as long ago as 1920 there were believed to be not less than 140,000 modern rifles in tribal Territory. The Mahsuds alone can arm effectively about 12,000 men, out of a total of 16,000, whilst the Wazirs can similarly arm 10,000 out of a total of 23,000 fighting men. The difficulty of the military problem presented by the frontier tribes can thus be appreciated. All these

tribes have historical connections with Afghanistan and in some places are bound to the neighbouring tribes of Afghanistan by ties of blood. The importance, therefore, of our relations with Afghanistan to the state of the North-Western trans-frontier, is obvious.

It is possible to distinguish two different parts of the trans-border which present two somewhat dissimilar sets of conditions. One part is the territory which stretches from north of the Kabul River to Waziristan, whilst the second is Waziristan itself. The relations between the Indian Government and the tribes inhabiting the first of the above divisions have in recent years been satisfactory on the whole. North of the Kabul River are great chiefs like the Mehtar of Chitral, the Nawab of Dir, and the Mian Gul of Swat. These may fight among themselves, but they all desire friendly relations with India. Trade between this section of the trans-border and India is active and the Swat River canal finds employment for many hardy spirits who would otherwise make a living by committing crime inside British India. South of the lands of these great chiefs are the Mohmands, Afridis, and Orakzais, all of whom have far too many connections with India to fight except on any but the most serious grounds. Waziristan, however, presents a very different face. Its people are fanatical and intractable to a degree, and have come less under British influence than any other of the great transborder tribes. The Indian Government have conducted seventeen active operations against them since 1852, and four since 1911, the latest of which provided the most desperate and costly fighting in all the history of the North-West Frontier. Also as one goes from north to south of Tribal Territory, one finds that the constitution of tribal society grows steadily more democratic until it reaches the extreme in Mahsud country where until the last few years a state of chaotic license prevailed in which every man was a law to himself and a well-aimed bullet was more effective than any consideration of right and justice.

From the Sikhs, the British inherited only a haphazard, unscientific, and ill-defined frontier line. They took over no policy or system of understandings or agreements, and for a whole generation the Indian Government limited its frontier policy to abstention from interference in the troubled affairs across the administrative border tempered by fleeting punitive expeditions against individual tribes when necessary. But the advance of Russia in Central Asia

and the ambiguous behaviour during the seventies of last century of an Amir of Afghanistan emphasised once again the importance of the latter country to Indian frontier policy, whilst the long and mostly scholastic dispute between the supporters of the rival 'forward' and 'close border' policies had at any rate made clear the importance of the transborder tribes in the event of India's having to conduct military operations west of the administrative border. These things fortified by Major Sandeman's striking success in conciliating the hitherto hostile Baluch tribes to the south, a success which had already become evident by the end of the seventies, brought about a change in the Government of India's views on frontier policy. They began to realise that they ought at any rate, to know something of what was happening in the frontier hills and that they ought if possible to try to keep friendly relations with the tribes. The establishment of the Khyber Agency at the end of the seventies was the first step in a new policy which has arrived, *viâ* Lord Curzon's memorable Frontier settlement, at the policy which is now being followed in Waziristan, that is, in the most intractable and difficult part of the frontier. This policy is a development of Lord Curzon's policy, which, in its turn was an adaptation of Sandeman's methods in Baluchistan to the different conditions of the North-West Frontier. The essence of Sandeman's system was friendship with and support of the tribal chiefs so long as they behaved well, and the provision of employment for the tribesmen in levies, police, and other forms of service. Sandeman, in fact, gave both the Baluch chief and his followers material incentives to good behaviour, and a stake in peace and order. A part of Baluchistan was taken under direct British control and British influence was established throughout the rest of the country. Lord Curzon's settlement has been well described as a mixture of the Sandeman and 'close border' systems. The tribesmen were paid to protect their own country and the Indian border, and regular troops were withdrawn from advanced positions and replaced by tribal militias. But there was no occupation of tribal country and no attempt at any administration however loose up to the Durand Line except in the Wana, Tochi and Kurram Valleys where an informal administration on lines suitable to tribal conditions met with much success. Thus the North-West Frontier was not "Sandemanised" by Lord Curzon. The third Afghan War

sent along the whole frontier a wave of unrest which broke in Waziristan in the bitterest and most determined fighting which the Government of India have ever had to undertake on the North-West Frontier. When peace was restored once more it was realised that the time had come to try to settle the "political" part of the Frontier problem once and for all, and that the attempt should begin in the old frontier storm-centre Waziristan.

The new policy is essentially positive and constructive in character. It is a forward policy in the very best meaning of the word, for it is not a policy of military conquest but of civilisation. Its central features are the opening of Waziristan to civilising influences and giving to the tribes a stake in the administration of law and order. Since 1920, fine highroads have been driven through the hills of Waziristan linking the transborder posts with military posts in the rear, and tribal levies or Khassadars, finding their own rifles and ammunition, have been enrolled to police the country. Thus the spirit of self-government among the tribes of Waziristan and their sense of responsibility will be kept alive, whilst British influence and economic forces will work steadily to destroy the causes which for centuries have kept these virile people as murderers and robbers. We shall see shortly what measure of success has already attended this policy, but first we may glance quickly at the existing system of border defence in order to complete this part of our survey of frontier policy.

The Civil Defence forces of the North-West Frontier Province fall into two main categories—those which are established on the settled side of the border and those which are definitely a trans-frontier corps. Of the former, there are first the village pursuit parties, or *Chighas*, who are obliged both by law and by custom to turn out for defence or pursuit whenever a raid occurs. Government provides each village in the raiding area with a certain number of rifles for the use of members of the *Chighas*, but these are otherwise entirely unorganised and are not in any way in the service of the Crown.

To co-operate with these *Chighas* when more prolonged operations are necessary, selected members of the village communities were organised into levies, drawn from the same sources as the *Chighas* but pledged to full or part time service, and receiving arms, ammunition and pay from the Government either directly

or through the local Khans who often act as both officers and organisers of the corps.

The District Police of course exist on the Border just as in every other part of British India, but the unsettled conditions there render it necessary for them to be better armed than other civil police forces, otherwise their work differs little from that of the District Police in other provinces.

But the back-bone of the defence organisation on the administered side of the Border is the Frontier Constabulary. This force stands between the District Police and the regular military forces and its main function is the prevention of raids and the capture of raiders and outlaws. It patrols the border and ensures the safety of roads and communications generally. The British officers are members of the Imperial Indian Police seconded from their own service. Its posts are mainly on the edge of administered territory, but the larger part of its operations take place across the border.

The Trans-Frontier Corps are three—the Kurram Militia, the Tochi Scouts and the South Waziristan Scouts. The Kurram Militia is a force mainly raised locally to preserve order in the Kurram Valley, which is only a semi-administered area and contains no other Forces of the Crown except those connected with a small air base at Arawali near Parachinar.

The Tochi Scouts and the Waziristan Scouts are intended to maintain British political control in North and South Waziristan respectively and to prevent raiding through Waziristan into the settled districts. They are also Militias, but are not locally raised. All three corps are officered by British officers seconded from regiments of the Indian Army.

The Khassadars are tribal levies raised for the Agency tracts to act as tribal police and to protect communications through their tribal territory. They are much more highly paid than either the Levies or the Police or Constabulary, the idea being to attract men to the service and to secure the good behaviour of themselves and their fellow tribesmen through fear of loss of a considerable income. They are employed so far only in the Khyber Agency where they number nearly 1,400 men and in Waziristan, where the length of the new communications and roads makes it necessary to employ over 3,500 men.

The position with regard to the strength, organisation, etc., of all Civil Armed Forces in the Province came under the examination of a Committee specially appointed for the purpose. The Committee submitted their report in June 1926 and it is under consideration.

The history of the North-West Frontier during the year under review has been one of almost absolute peace, a very welcome and striking contrast with the state of affairs a few years ago when tribal raids into the settled districts of the Frontier Province were things of almost daily occurrence and when there was constant fighting between the regulars, militias, constabulary and police, and hostile tribal forces. The present condition of Waziristan is a very powerful tribute to the beneficent and effective character of the policy described above. The new roads are being more and more widely used for ordinary traffic, and, what is almost incredible to those who knew Waziristan only a few years ago, taxis and other traffic can now go unprotected along the roads in Waziristan. In short the working of economic forces which was contemplated by the new policy is in operation and is producing results. On the whole, relations with the tribes in Waziristan were extremely satisfactory during the year. Political officers have moved about the country freely and have visited its remoter parts such as Wana at the head of the Gomal Valley where before the Afghan War of 1919 the headquarters of the Southern Waziristan militia were located. The economic development of the country is receiving attention, schools have been opened, and arrangements for the conservation of forests in the vicinity of Razmak are in hand. In last year's report it was said that the history of Waziristan since 1921 is a record of an important movement in human progress and it cannot be denied that the year under review has seen that movement continued and advanced.

Elsewhere on the frontier, as far as the Indian Government is concerned, the same peace prevailed as in Waziristan. In the Khyber there has been a certain amount of unrest among the Zekka Khel Afridis who have recently made two raids into Afghanistan. British territory however remained immune from raids throughout the year and there is no reason to doubt that the Khyber Railway, the opening of which was chronicled last year, will play the same

part as the roads in Waziristan in opening the Khyber to civilising influences and the freer play of economic forces.

In the Kurram Valley a dispute arose during the year over the exact position of the Indo-Afghan border in the neighbourhood of Peiwar Kotal. The Indian and Afghan Governments agreed that their representatives should meet to decide the exact position of certain pillars which had been erected in accordance with the terms of the demarcation carried out in 1894 and which had since been demolished, and also to settle the position of the border clearly. The representatives met on the 3rd December 1926 and dispersed towards the end of February 1927 after reaching an agreement on most of the points at issue. Of late years much attention has been given to the development of fruit farming and arboriculture in the Kurram Valley and it is satisfactory to know that very good progress was made in this direction during the year.

In the far north of the Frontier in Dir, Swat, and Chitral, the year was one of profound peace so far as the Government of India was concerned. The Mian Gul was recognised as the Wali of Swat in May 1926. At his request arrangements are being made for the opening of schools and also for a post office in his country.

His Excellency Lord Irwin made a tour of the North-West Frontier in October 1926 during which he saw the whole Frontier from the Malakand in the North to Waziristan in the South. He came into close touch with all classes on the Frontier including Jirgas of some of the Frontier Tribes. He flew over a good deal of the Frontier and visited the head of the Khyber Pass and also the Military garrison at Razmak in Waziristan where he was able to study the new Frontier policy at work. Everywhere he went he was most cordially received, and, as one writer put it "The Frontier has met Lord Irwin and accepted him."

British Baluchistan remained quiet throughout the year and there is no event of outstanding importance to be recorded. Persian Baluchistan was the scene of a certain amount of excitement during the year but nothing happened to cause the authorities of British Baluchistan any very serious concern. But one very interesting development in Kalat, which is an Indian State in Baluchistan, ruled by its own Khan, should be mentioned here. This was the abolition of slavery throughout the State. From ancient times there has existed in Kalat, a form of domestic servitude under

HIS EXCELLENCY LORD IRWIN RECEIVING A MAHSUD JIRGA AT RAZMAK.

which in its most aggravated form, men servants (Ghulams) and maid servants (Kaniz) were the absolute property of their masters, who could part wife from husband, and children from parents. Indeed, short of the actual taking of life, the master's powers over his Ghulam or Kaniz were absolute. There were, however, no corresponding obligations on the part of the masters, who were not obliged to feed or clothe their slaves, and could even cast them out into the world to earn their own living, without in any way relinquishing their rights to resume absolute power over them at any time.

From time to time it was found possible to mitigate the rigour of this system, and by 1914 its worst features had been abolished in the part of Kalat known as Makran. In the wild tract known as Jhalawan however, progress was slower and more difficult. But the Baluchistan Administration consistently worked for total abolition and succeeded in 1925 in awakening the active interest of His Highness the Khan in the movement. His Highness then gave the Agent to the Governor General an invitation to assist in putting an end to all forms of slavery in his State, and thus supported, His Highness has at length been able to overcome the opposition of his more backward tribal Sirdars. On the 4th November 1926 His Highness signed a decree declaring that from that date the existence of private property in slaves had ceased to exist in Kalat.

There has never been any question of compensating owners for the freeing of their slaves. Such slaves—and these are the majority—as are content with their lot will remain with their masters, receiving as wages what they formerly received as maintenance. Of those who are not content, the men will be able to leave openly instead of having to abscond as they used to do, and many absconders now living in Sind will be able to return to their homes without fear of molestation. As for the women, the new decree prohibits the abuses under which they suffered. No *Kaniz* is now liable to be bought or sold, gifted or inherited, nor will the owner of a *Kaniz* be permitted to sell her away from her parents under the guise of marriage. The masters merely lose their prospective profits from the sale of women, and for this no compensation is required.

Quiet as the year was for the North-West Frontier and Baluchistan, it was no less so for her important neighbour Afghanistan where internal tranquility prevailed. Progress has been made in the spread of education on a wide scale and in the general development of public services. The reorganisation and training of the army is proceeding smoothly; cavalry, infantry and artillery schools have been established; the Harbia Cadet School has been reopened; and a number of young Afghan officers have been sent to Turkey and Russia to complete their military studies. Three senior officers of the Afghan Army attended the Western Command manœuvres, held in the neighbourhood of Quetta in October 1926, as guests of the Army in India. The King visited Kandahar in November 1926, and inspected the various works projects in and around the city. The reforms inaugurated by His Majesty on the occasion of his previous visit appear to be bearing fruit. A marked improvement in road communications between Kabul and Kandahar is indicated by the fact that the King, who was accompanied by a considerable following, was able to perform the journey by motor car in a single day. The most important achievement in the development of communications during the period under review has been the completion of the telegraph line between Kandahar and the capital. The town of Herat is now lighted by electricity and schemes for the supply of electric power in Kandahar and Jallalabad are well advanced. Several road construction projects are under consideration, and work on a road from Jallalabad to Asmar is expected shortly to begin. During His Majesty's visits to Kandahar and Jallalabad, communication with the Capital was successfully maintained by aeroplane.

A number of German engineers employed in the construction of Dar-ul-Aman, the new Capital, who proceeded on leave to Germany during the winter months, returned with their families and with some additions to their ranks.

The British Legation at Kabul was gutted by fire on the night of the 22nd December 1926. The fire, which was due to the fusing of an electric wire, started near the main entrance, and this rendered the removal of property extremely difficult. Valuable assistance was rendered by Afghan officials and by the Police and Fire Brigade. Sir Francis Humphreys and his staff have moved into the new Legation buildings which are still in course of construction.

Readers of last year's report will remember the seizure of the Island of Urta-Tagai, an Afghan island in the Oxus River, by Soviet troops and the peaceful decision of the dispute which ensued by a mixed commission. During the year under review a treaty of neutrality and non-aggression was concluded between the Afghan and Soviet Governments. It was signed at Paghman on August 31st 1926 but up to the end of March 1927 its ratification had not been announced.

A German-Afghan treaty arranging for diplomatic relations and mutual friendship between the two countries was signed at Berlin on the 3rd March 1926 and ratified by both Governments at Paghman on September 15th.

Relations between India and Persia remained cordial throughout the year. A message of congratulation was sent by the Government of India to His Imperial Majesty Riza Shah Pahlvi on the occasion of his coronation in April 1926. His Imperial Majesty replied expressing his sincere thanks and high appreciation to His Excellency the Viceroy and the Government of India. No developments of any great importance took place in the Persian Gulf, but on the 4th August 1926 a Muscat Baluch sepoy of the Bahrain Levy Corps ran amock killing the Indian officer (a Subedar) and also a Havildar. He also wounded Major Daly, the Political Agent, though it would seem that he intended the shot for the Subedar whom he subsequently killed, as the latter was standing near Major Daly's table at the time. The murderer was tried and shot. As a result of the enquiry into this incident it has been decided to recruit the Levy Corps (police) from India. The Gulf Baluchis of whom it was previously composed have been discharged.

The relations between India and Tibet continue to be most friendly. It is difficult to gauge what advance modern civilisation is making in Tibet for although the Dalai Lama's palace in Lhasa is now lighted by electricity there remains a strong prejudice against modern innovations. The Tibetan Government have decided to close the school which they opened at Gyantse in 1923 for the education of the sons of Tibetan officials under the headmastership of a graduate of an English University, but it may be hoped that their decision is only temporary. During the year some Tibetan officers received artillery training in India.

Under the wise and statesmanlike administration of His Highness Sir Chandra Shumsher Jung, Prime Minister of Nepal, the relations between the Government of India and the Nepal Government continue to be of the most friendly character. The outstanding event of the year under review was the complete abolition of the system of slavery which had hitherto prevailed in Nepal. The successful solution of a problem which had baffled his predecessors in office marks out His Highness as one of the ablest administrators of the day. Another outstanding achievement of His Highness's administration was the opening of the Military Hospital in Kathmandu. The hospital, which is intended as a memorial to the Gurkha soldiers who fell on the battlefields of Europe and Asia during the Great War, is built on modern lines and is fully equipped, particularly for the treatment of tuberculosis which is prevalent in all parts of the country.

Western Arabia is fast settling down under the rule of Ibn Saud, who was elected King early in the New Year. With the exception of the pilgrimage of 1925, the last Haj was the smallest numerically that has taken place for some years, owing, no doubt, to the troubled conditions prevailing in the Hedjaz. It was, however, most successful as no untoward event occurred and the measure of public security afforded was greater than ever before.

The process of liberating slaves in certain tribal areas on the Burmese frontier has been carried a step further since the great liberation in the Hukawang Valley as recorded in last year's report. In view of the stir caused among the chiefs and people of the area known as the Triangle by the liberation of the Hukawang slaves, it was considered that the sooner similar measures were undertaken there the less likelihood there would be of any opposition. The Triangle is a tract of country on the northern border of Burma lying between the Mali Hka and the H'Mai Hka rivers which are the two main tributaries of the Irrawaddy. This area which is unadministered and is surrounded by tracts under loose political control is the only one of any importance on the Burmese frontier in which slavery still exists. At a durbar held at Myitkyina on 10th January 1927 His Excellency the Governor of Burma announced to the Kachin Chiefs of the Triangle the intention of the Government to liberate the slaves in that area in the same manner as those in the Hukawang Valley were liberated the previous year.

On the 14th January the last part of the expedition for the liberation of the slaves left for the Triangle. The number of slaves in the Triangle is believed to be not less than 5,000 persons, and the cost of emancipation alone is estimated at Rs. 3,00,000.

There is little to report concerning the relations during the year between the Government of India and the Indian States. These were uniformly cordial although in the late summer of 1926 negotiations between the Government of India and His Exalted Highness the Nizam of Hyderabad concerning the introduction of certain reforms in the administration of the State were magnified by sensation-hunting newspapers into an attempt on the part of Government at unwarranted interference in the internal affairs of Hyderabad.

The only surviving son of Her Highness the Begum of Bhopal, was, on the strength of certain precedents, recognised as her heir in preference to the son of her deceased eldest son. Her Highness the Begum then voluntarily abdicated in favour of her son. The *Kharita* intimating His Majesty the King Emperor's recognition of the succession was delivered by the Agent to the Governor General in Central India at a Durbar in Bhopal on the 9th July 1926.

The record of the year in the first of the two sections into which we divided Indian external affairs is thus seen to be almost wholly satisfactory. The record in the other half, that which is concerned with affairs of Indians overseas, is equally satisfactory since it includes the latest agreement reached with the Government of South Africa as well as certain developments in the position of Indians in Australia. But before he turns to the events of the year the reader may find it useful to recall the outstanding features of Indian emigration overseas.

There are at present about 1½ million Indians settled in the Empire outside India and it is well known that Indian emigration has been broadly of two kinds. The first was that of unkilled labourers either under indenture, as to Fiji, Mauritius, Natal and the West Indies; or under some special system of recruitment, such as was adopted for emigration to Ceylon and Malaya. The second is the spontaneous emigration of persons belonging to the professional, commercial and artisan classes. The second has naturally followed the first, but it has also extended to places where there

has never been any indentured emigration. This is true of the Self-Governing Dominions, with the exception of South Africa, and also of certain Crown Colonies, particularly of the East African Territories. In British Guiana, Trinidad and Jamaica Indian settlers have exactly the same status as any other British citizen. In Ceylon and Mauritius also, under their present constitutions there is no discrimination against Indians on the ground of race. So far as Crown Colonies and Mandated Territories are concerned, the place where the interests of Indian emigrants and those of other settlers have recently come into conflict is Kenya. The whole emigration policy of the Indian Government was altered during 1922 by the Legislature and embodied in a new Emigration Act which proclaimed assisted emigration of unskilled labour to be unlawful except for such countries and on such terms and conditions as may be specified by the Governor General in Council. Any notification made by the Governor General in Council under the Act must be laid in draft before, and approved by, both Chambers of the Legislature. A Standing Emigration Committee composed of 12 members of the Legislature is appointed every year to advise the Government of India on all major emigration questions. Thus the Indian Legislature can now effectively control the organised emigration of unskilled labourers whose conditions have markedly improved since the passing of the Act.

As is well known, the most delicate and difficult of the negotiations which the Government of India have lately had to undertake on behalf of their nationals overseas have been those with the Government of South Africa. But four years ago, a situation hardly less grave than that in South Africa arose in Kenya Colony, whilst problems of some intricacy for the Government of India have for several years past been provided by the position of Indians in Fiji. It would be idle to deny that there are some parts of the British Empire where the treatment of Indians is not consistent with the position of India in the Empire or with their own status as British subjects. Naturally enough this is peculiarly irritating to proud and sensitive people like the Indians and its re-actions on the internal politics of India have been serious in the past. The Self-Governing Dominions, of course, are themselves responsible for the way in which Indians within their confines are treated, but the people of India can hardly be expected to appre-

ciate this fact dispassionately, and their irritation at the grievances of their fellow-countrymen in the Empire is apt to be expressed against Great Britain and the Indian Government. More particularly is this so when grievances arise among Indian settlers in the Crown Colonies whose governments occupy a different position from those of the Dominions *vis-a-vis* His Majesty's Government. The importance to the whole Empire of the problems which have arisen in connection with Indian Emigration has received recognition in successive Imperial Conferences from that of 1921 onwards, and a hasty Survey of the recent history of Indian emigration affairs as far they concern other parts of the Empire will help towards an appreciation of their present state.

The denial of their right to the franchise, and the conditions under which they are allowed to immigrate and obtain and retain domicile, and, in certain parts of Africa, their right to hold land, to enjoy trading facilities, and to escape from compulsory segregation have been some of the principal grievances of Indian settlers in other parts of the Empire. As far as the self-governing Dominions are concerned, the Reciprocity Resolution passed at the Imperial War Conference of 1918 affirmed the right of each community of the British Commonwealth to control by immigration restrictions the composition of its own population, and this position has been accepted by reasonable Indian opinion, although it is not prepared to accept the policy of exclusion from these territories which have not yet attained Dominion status. Apart from the conditions of actual immigration, Indian opinion has of late protested against certain disabilities such as inadequate representation upon Legislative bodies, exclusion from the Municipal franchise based upon a common electoral roll, and the non-payment to Indians of a minimum wage proportionate to the cost of living, to all of which Indian settlers have for long been subjected in some part or other of the British Commonwealth. The delegates to the Imperial Conference of 1921 agreed, South Africa dissenting, to a resolution, which admitted in principle the claim of Indians settled in other parts of the Empire to equality of citizenship and the important suggestion that India should negotiate direct with South Africa in regard to the existing position, was also registered. Subsequent to the Conference, the Right Honourable V. S. Srinivasa Sastri visited Canada, New Zealand, and Australia in order to consult with those Governments as to the method of putting the resolution into effect,

and he achieved much success in directing the attention of those Governments to the disabilities to which Indians resident in those dominions were subject.

We have seen that in most of the Crown Colonies the position of Indian settlers is satisfactory. In the Fiji Islands their grievances formed the subject of representations by the Colonies Committee of the Government of India in July 1924. The results of these negotiations are summarised below:—

1. *Representation in the Legislative Council.*—Indians have up to the present been represented in the Fiji Legislative Council by one nominated non-official member. Three seats are now to be provided for elected representatives of the Indian community as soon as the necessary alterations in the constitution can be effected.

2. *Municipal franchise.*—The question of facilities for the representation of Indians on the Municipal Councils will be referred to the Government of Fiji for examination in the first instance by a local committee on which the Indian community will be adequately represented.

3. *Appointment of a special officer to look after Indians.*—The Secretary of State for the Colonies has been unable to agree to the appointment of an Agent of the Government of India in Fiji, but has recently appointed to the Fiji Government Service an Officer possessing special Indian experience and language qualifications to act as Adviser to the Governor on matters affecting Indians in Fiji. He will be given a seat in the Fiji Legislative Council. An authorised representative of the Government of India may also visit the colony occasionally to examine and report upon specific questions of interest to that Government.

In last year's Report certain causes of disagreement between the Indian settlers in Tanganyika and the local Government there were detailed. It was also mentioned that a Committee had been appointed to examine these causes of disagreement and the trades licensing ordinance remains in abeyance pending the receipt and consideration of the Report of this Committee.

In Kenya some years ago relations between Indian and European settlers became strained owing to the prohibition against the transfer to Indians of Agricultural lands in the highlands of the Colony, and the inadequate representation of the Indian population upon the

Colonial Legislative Council, their consequent political helplessness, despite their very large stake in the economic life of the Kenya Colony, and the threat to their interests through proposals restricting immigration. Deputations both from the Kenya Europeans and Indians, and from the Indian Legislature, waited upon the Colonial Office, and towards the end of July, 1923, His Majesty's Government announced their general policy towards the country.

At the Imperial Conference of 1923, Sir Tej Bahadur Sapru pleaded powerfully for an examination of the position of Indians in the Dominions and Colonies by a Committee to be appointed by the Government of India. The Secretary of State for the Colonies, on behalf of His Majesty's Government, cordially accepted the suggestion, and accordingly a Committee was formed which assembled in London early in April, 1924. The results of the representations made by this Committee on the subject of Kenya was announced by Mr. J. H. Thomas in the House of Commons on August 7th, 1924. On the question of franchise and of the Highlands there was no change in the position, but as regards immigration, the Secretary of State for the Colonies decided that an Ordinance which had been framed on the lines of restricted immigration should not be enacted, though he reserved to himself the right to enact the Ordinance at any time should native African interests appear to be threatened by the influx of immigrants from abroad. As regards Indian Colonization, Mr. Thomas announced that it was proposed to set apart an area in the lowlands for agricultural emigrants from India, but before the scheme took final shape, an officer with experience of the needs of the Indian settlers and agricultural knowledge should be sent to report on the areas to be offered for colonization. The Government of India, however, thought it inadvisable to proceed any further with this idea. The work of the Colonies Committee did much to abate the bitterness which existed in the relations between the different classes of settlers in Kenya, and the situation was further improved by the decision of the Indian community to relinquish their attitude of non-co-operation and to select five members for nomination by the Governor to the Legislative Council. This, roughly, was the position in Kenya at the end of March, 1926.

Turning now to a brief account of recent affairs in South Africa, we may note the following as the salient points.

In 1919, the Union Government appointed a Commission to enquire into the whole question of Asiatics trading and holding land

in the several Provinces in South Africa. The Commission recommended the retention of a law prohibiting the ownership of land by Asiatics in the Transvaal, and another of its recommendations threatened the right which Indians had previously enjoyed of, acquiring and owning land in the Uplands of Natal. The Government of India protested against this particular recommendation. In 1923, the Union Government introduced a measure entitled "The Class Areas Bill" containing provisions which could be used in urban areas for the compulsory segregation of Asiatics, but in consequence of the unexpected dissolution of the South African House of Assembly in April, 1924, the Bill lapsed. Towards the end of December, 1924, news was received that the Governor General of South Africa had given his consent to the Natal Boroughs Ordinance, a measure which, while safeguarding the rights of Indians already on the electoral roll of Boroughs, will prevent further enrolment of Indians as burgesses. The Bill became law in December, 1924. The Government of India, however, did not cease to protest against it. Towards the end of January, 1925, the Union Government gazetted a Bill to amend the Mines and Works Act in order to take power to refuse certificates of proficiency to natives or Asiatics in certain occupations. By this series of events, the position of Indians in South Africa was seriously worsened, and it would be the merest euphemism to describe the feeling to which they gave rise in India, other than by saying that it was one of profound anger and resentment. At once the Government of India made suitable representations and a deputation from India visited South Africa during the winter of 1925-26 under the leadership of Mr. (now Sir George) Paddison. The brief reference to the visit of this deputation which is contained in the opening chapter, shows how it contributed to a better understanding of the Indian problem in South Africa by both the Government of the Union and by the leaders of public opinion.

After the return of the Paddison deputation to India in May, 1926, the Government of India, at the request of the Union Government, agreed that the conference on the Indian question in South Africa should be held at some convenient centre in the Union in December, 1926. But they also extended a cordial invitation to the Ministers of the Union to send a representative deputation to India before the conference so as to enable its members to study at first hand the present day conditions in India. It was felt that such a

MEMBERS OF THE SOUTH AFRICAN DEPUTATION WITH THEIR EXCELLENCIES & STAFF TAKEN AT VICEREGAL LODGE, SIMLA.

Back Row standing from Left to Right—Captain T. M. Lunham, Mr. L. W. H. D. Best, M.C., I.C.S., Mr. A. C. Fordham, M.L.A., Lt.-Col. W. W. Muir, C.B.E., M.V.O., Mr. J. R. Hartshorne, Mr. W. H. Rood, M.L.A., Lt.-Col. C. O. Harvey, C.V.O., C.B.E., M.C., Captain J. B. Gordon Duff, Captain C. Waller, Captain J. H. Taylor.

Centre Row seated from Left to Right—The Hon'ble Patrick Duncan, K.C., C.M.G., Mr. G. Cunningham, C.I.E., O.B.E., I.C.S., Mr. G. Reyburn, M.L.A., Miss Marwick, H. E. The Viceroy, The Hon'ble F. W. Beyers, K.C., M.L.A., H. E. Lady Irwin, Mr. O. S. Vermooten, M.L.A., The Lady Worsley, Mr. J. S. Marwick, M.L.A.

Front Row seated from Left to Right—The Hon'ble Peter Wood, Pet Dog, The Hon'ble Richard Wood.

visit might help in a friendly solution of the questions at issue between the two countries. The invitation was accepted by the Ministers and a Deputation consisting of:—

(1) The Hon'ble F. W. Beyers, K.C., M.L.A., Minister of Mines and Industries;
(2) The Hon'ble Patrick Duncan, K.C., C.M.G., (Minister of the Interior in the previous Government);
(3) W. H. Reed, Esq., M.L.A.;
(4) O. S. Vermooten, Esq., M.L.A.;
(5) A. C. Fordham, Esq., M.L.A.;
(6) J. S. Marwick, Esq., M.L.A.;
(7) G. Reyburn, Esq., M.L.A.;
(8) J. R. Hartshorne, Esq., Principal Irrigation Officer and Registrar of Asiatics, Transvaal (to act as Secretary)

arrived in India on the 18th September, 1926, and returned to South Africa on the 13th October, 1926. The party thoroughly enjoyed their visit, and both its leader and the Union Government sent messages of appreciation to His Excellency the Viceroy for the courtesy and attention shown to the visitors.

The personnel of the Indian Delegation to South Africa was announced on the 16th October, 1926, and consisted of:—

(1) The Hon'ble Khan Bahadur Sir Muhammad Habibullah Sahib Bahadur, K.C.I.E., Kt., Leader.
(2) The Hon'ble Mr. G. L. Gorbett, C.I.E., I.C.S., Deputy Leader.
(3) The Right Hon'ble V. S. Srinivasa Sastri, P.C., Member.
(4) Sir D'Arcy Lindsay, Kt., C.B.E., M.L.A., Member.
(5) The Hon'ble Sir Phiroze C. Sethna, Kt., O.B.E., Member.
(6) Sir George Paddison, K.B.E., C.S.I., I.C.S., Member.
(7) G. S. Bajpai, Esq., C.I.E., C.B.E., I.C.S., Secretary.

In its selection every endeavour was made to choose men who commanded public confidence in this country and would carry weight in South Africa and the reception accorded to it by the press of both countries provided ample proof that the task of selection had been well done.

The Delegation sailed for South Africa on the 24th November, 1926, and reached Cape Town on December, 17th. It received a

warm welcome on arrival and unstinted hospitality from the Union Government and important public bodies, official and unofficial, European and Indian, during its sojourn in the Union. At the Conference which was opened by the Prime Minister of South Africa, General the Hon'ble J. B. M. Hertzog, on December 17th, the Union Government were represented by:—

The Hon'ble Dr. D. F. Malan, M.L.A., (Chairman).
The Hon'ble F. W. Beyers, K.C., M.L.A.
The Hon'ble F. H. P. Creswell, D.S.O., M.L.A.
The Hon'ble T. Boydell, M.L.A.
Mr. C. F. Schmidt.
Mr. H. N. Venn.
Mr. H. Pring.

Its session lasted till January 13th. A provisional agreement was arrived at between the two delegations and the Indian representatives started on the return journey to India on January 13th to submit the results to the Government. The agreement, after ratification by both Governments, was announced in both countries on February, 21st. In India statements were made in the Council of State and the Legislative Assembly respectively by the Hon'ble Sir Muhammad Habibullah, Member in charge of the Department of Education, Health and Lands, and Mr. J. W. Bhore, C.I.E., C.B.E., I.C.S., Secretary to the Government of India in that Department. In South Africa, the task fell to the Hon'ble Dr. Malan, Minister of the Interior, who made an announcement in the Union House of Assembly.

The broad outline of the settlement was set out in a statement which was read out by the Government spokesmen in each house of the Indian Legislature and its details are embodied in an appendix to this book. Both Governments re-affirm their recognition of the right of South Africa to use all just and legitimate means for the maintenance of western standards of life.

The Union Government recognises that Indians domiciled in the Union who are prepared to conform to western standards of life should be enabled to do so.

For those Indians in the Union who may desire to avail themselves of it the Union Government will organise a scheme of assisted emigration to India or other countries where western standards are not required. Union domicile will be lost after three years' continuous absence from the Union in agreement with the proposed

revision of the law relating to domicile which will be of general application. Emigrants, under the assisted emigration scheme, who desire to return to the Union within three years will only be allowed to do so on refund to the Union Government of the cost of assistance received by them.

The Government of India recognise their obligation to look after such emigrants on their arrival in India.

Admission into the Union of wives and minor children of Indians permanently domiciled in the Union will be regulated by paragraph 3 of Resolution XXI of the Imperial Conference of 1918 which lays down that Indians already permanently domiciled in the other British countries should be allowed to bring in their wives and minor children on condition (*a*) that not more than one wife and her children shall be admitted for each such Indian and (*b*) that each individual so admitted shall be certified by the Government of India as being the lawful wife or child of such Indian.

In the expectation that the difficulties with which the Union has been confronted will be materially lessened by the agreement now happily reached between the two Governments, and in order that the agreement may come into operation under most favourable auspices and have a fair trial the Union Government of South Africa have decided not to proceed further with the Areas Reservation and Immigration and Registration (Further Provision) Bill.

The two Governments have agreed to watch the working of the agreement now reached and to exchange views from time to time concerning any changes that experience may suggest.

The Union Government of South Africa have requested the Government of India to appoint an agent in order to secure continuous and effective co-operation between the two Governments.

Both in the Council of State and the Legislative Assembly supplementary statements explaining the salient points of the agreement were made by Sir Muhammad Habibullah and Mr. Bhore. In India, the settlement was on the whole well-received and the general impression of it is best expressed in Mr. Gandhi's phrase "an honourable compromise."

In South Africa the more responsible newspapers, both English and Dutch, *e.g.*, the "Cape Times" and "Die Burger," paid handsome tributes to both delegations for the statesmanship which

they had brought to bear on their work, and the eminently reasonable and practical character of the results achieved by them. It would be untrue to say that European opinion throughout South Africa has accepted the agreement in that spirit. A certain section views it with suspicion and a few individuals with unconcealed hostility. But it is to be hoped that like those persons in India who regard the settlement as quite unsatisfactory, their number is small. The majority of people in both countries doubtless regard it as a good first step in the solution of a complicated problem and the spirit, of which it is the outcome, as the best guarantee of a progressive and friendly adjustment honourable to both parties.

During the year under review Indians settled in Australia were admitted to still more of the privileges enjoyed by their white fellow citizens. By the Commonwealth electoral Act No. 20 of 1925 all resident British Indians in Australia were granted the Commonwealth franchise and by Acts which have recently been passed by the Commonwealth Parliament, British Indians in Australia have been admitted to the benefits of Invalid and Old Age Pensions and Maternity allowances from which they were hitherto excluded as Asiatics. Old Age Pension is payable to men above 65 years of age, or above 60 years if they are permanently incapacitated for work, and to women above 60 years, provided such persons are of good character and have resided continuously in Australia for at least 20 years.

An Invalid Pension is obtainable by persons, who, being above 16 years of age and not in receipt of an Old Age Pension, have whilst in Australia, become permanently incapacitated for work by reason of an accident or by reason of being an invalid or blind, provided they have resided continuously in Australia for at least five years.

Maternity Allowances to the amount of £5 are given to a woman for every child to which she gives birth in Australia, provided the child is born alive and the woman is an inhabitant of the Commonwealth or intends to settle there. This legislation removes the last grievance of the Indian community in Australia which was remediable by the Federal Government. In Western Australia and Queensland they are still subject to certain disabilities of which exclusion from the state franchise is, perhaps, the most important. The liberality with which the Commonwealth Government has met an imperial obligation may, it is to be hoped, stimulate the respons-

ible authorities in these states to place their Indian nationals on a footing of complete equality with other classes of His Majesty's Subjects.

Earlier in this chapter we reviewed the position of Indians in East Africa which in last year's report was described as quiescent, but in November, 1926, information reached the Government of India that the Government of Kenya contemplated undertaking legislation at an early date in order to make the European and Indian communities responsible for the net cost of their education. It was originally intended to give effect to this decision by levying from Europeans a tax on domestic servants in their employ and from Indian a poll-tax. The Indian community resented this differentiation and, ultimately, the Colonial Government decided that both communities should pay the same form of tax, *viz.*, an adult poll-tax. For Europeans this has been fixed at 30 shillings and for Indians at 20 shillings. An Ordinance giving effect to this decision was passed by the Kenya Legislative Council and came into force from 1st January, 1927. But for the excitement over this episode, events seem to have moved smoothly in the colony and there is no indication that the process of racial appeasement which started a couple of years ago is likely to be interrupted.

From Tanganyika there is little to report for the year under review. The East African Commission, of which the Hon'ble W. Ormsby-Gore, M.P., was Chairman, recommended in their report that a Legislative Council should be established for the territory. A Legislative Council was accordingly created for Tanganyika in March, 1926. Of the seven un-official members of this body two will be Indians.

The question of the fixation of a standard minimum wage for Indian estate labourers in Ceylon and Malaya has been under consideration ever since emigration of Indian labour to these colonies was declared lawful in 1923 under the provisions of the Indian Emigration Act, 1922. So far as Ceylon is concerned, full agreement has now been reached between the Government of India and the Government of Ceylon and the latter have prepared draft Legislation to give effect to the terms of the settlement. The necessary ordinances are now before the Ceylon Legislative Council. The details of the settlement will be found in the Government of India's communique, dated the 29th September, 1926, a copy of which will be found reproduced as an appendix. As regards

Malaya, negotiations between the two Governments are still proceeding.

On the whole it may with justice be said that the year under review has witnessed more solid progress in the improvement of the relations between India and other parts of the Empire than any other year since the treatment of Indians overseas became a political question of the first magnitude in this country. It may also safely be said that India's point of view is now well understood by the Government of every country in the Empire which receives her children as settlers or labourers, and there is no reason to doubt that with the growth of understanding there has been a growth of sympathy also.

The most cursory examination of the questions which are asked and the speeches which are made in the Indian Legislature will show the great and increasing interest which members of all shades of political opinion are now taking in army matters in this country. The lessons taught by the War, and their own ambitions for Dominion Status for India have compelled Indian politicians to give serious thought to the problems of national defence, the importance of which they now perceive, although adequate recognition of their complexity and difficulty is yet to come. At any rate Indian political leaders fully understand that responsible self-government for India necessarily connotes the assumption of certain military responsibilities and the ability to sustain the burden of self-defence. Since the War the ideas of the educated classes in India on this subject of military defence have led to the formulation of two definite demands. The first is for the rapid Indianisation of the Commissioned ranks of the regular army and the second is for the extension of the facilities which now exist for training Indians in the territorial force. In connection with the first, the Legislature displays unabated interest and the Government has not been unresponsive, for the progress achieved in this direction, though far from satisfying the demands which have been put forward, is considerable. We may explain that there are two main categories of officers in the Indian Army, holding respectively the Viceroy's Commission and the King's Commission. The majority of the former are men promoted from the ranks. They have a limited status and power of command, both of which are regulated by the Indian Army Act. It is only since the war that King's Commissions have been granted to Indians. Every unit of the Indian

Army includes officers holding the Viceroy's Commission, while Indian Officers holding the King's Commission are now admitted to the Indian Army under a regular system, a feature of which is that in the ordinary course they are posted to certain selected units of Cavalry and Infantry. It is with the increase in the latter class that Indian opinion is principally concerned. King's Commissions are now to be obtained by Indian gentlemen qualifying themselves as cadets in the Royal Military College, Sandhurst, or by honorary grants to Indian officers whose age or lack of education preclude them from holding the full commission in the ordinary sense. Commissions in this second category are granted *honoris causa* and are not regarded as augmenting the authorised establishment of commissioned officers. It, therefore, follows that if an Indian is to enjoy the fullest opportunity of adopting a military career on terms of absolute equality with the British officer, he must pass through Sandhurst. Ten vacancies have been reserved annually at Sandhurst for Indian cadets, and in order to secure a suitable supply of recruits for these vacancies, there has been established in India the Prince of Wales' Royal Indian Military College at Dehra Dun. In this institution the normal course of education has been planned to occupy six years, and the arrangements so far made will enable a maximum of 120 boys to be in residence together. The college has already proved to be a great success and there is every hope that it will amply achieve the intention for which it was created. Indian political opinion, however, was not satisfied with the scope of the college and demands were made for the establishment in India of some institution which would have the same functions as the Royal Military College at Sandhurst. A debate on this subject took place in the Legislative Assembly during the Delhi Session of 1925 after which, in response to the feeling on the subject then expressed, the Government of India offered to appoint a committee to investigate the whole question of the establishment of an Indian Sandhurst. This committee was appointed later in the year with Lieutenant General Sir Andrew Skeen as President. The terms of reference to the Committee were as follows:—

"To enquire and report:—

(*a*) By what means it may be possible to improve upon the present supply of Indian candidates for the King's Commission both in regard to number and quality.

(*b*) Whether it is desirable and practicable to establish a Military College in India to train Indians for the commissioned ranks of the Indian Army.

(*c*) If the answer to (*b*) is in the affirmative, how soon should the scheme be initiated and what steps should be taken to carry it out.

(*d*) Whether, if a Military College is established in India, it should supersede or be supplemented by Sandhurst and Woolwich so far as the training of Indians for the commissioned ranks of the Indian Army is concerned."

After the Committee had held a number of sittings in India a sub-committee of its members went to Europe to investigate the systems of education by which military officers are at present produced in England, Canada, the United States of America, and France. The Committee finished their work in November, 1926, and their report was published in India in April, 1927, after the close of the period with which this report deals.

Before we leave the subject of Indianisation we may notice the progress made during the year under review in Indianising the Cantonments Department and the Ordnance Factories. The extent to which it is proposed to Indianize both these departments was fully described in last year's report. During the year under review one Indian officer holding the King's Commission has been admitted into the Cantonments Department to fill the appointment of executive officer, Class 1, whilst three officers holding the Viceroy's Commission have been appointed in the grade of executive officer, Class 2, in addition to the three officers already serving in the Department. An Indian gentleman was taken as probationary Assistant Works Manager last year in one of the Ordnance Factories. The experiment represented by this appointment is continuing, but it will take two or three more years before the result can be satisfactorily gauged. Systems of apprenticeships and boy artizans training have been carried on for some years in these factories with promising results. Schemes are now under consideration to fully regularise and consolidate these systems with a view to the better provision of workmen and junior staff. Schools and other educational arrangements that have been found necessary are included in these schemes.

Turning now to the second of the demands which we said had been formulated since the War by educated Indians, whilst there

is nothing of any particular interest to report concerning the progress of the territorial force during the year under review the reader may find it interesting to consider the present constitution of the force. Twenty provincial battalions are now in existence, the enrolled strength being over 12,000. Most of the battalions are nearly full, although some units still fail to attract the sanctioned quota of recruits. One of the great problems connected with the development of the force is the provision of adequately trained officers. For the command of battalions and companies, officers of the regular army are provided. Opportunities have also been afforded for the further training of Indian Territorial Force officers by attaching them for limited periods to regular battalions. Annual special courses of instruction are also held for the officers and non-commissioned officers of the Indian Territorial Force. In addition to the provincial battalions are the University Training Corps, which have now attained a large measure of popularity. There are at present six battalions whose headquarters are located at Bombay, Calcutta, Allahabad, Lahore, Madras and Rangoon, and two separate Companies have been constituted at Patna and Delhi. The Territorial Force is meant to be a second line to, and a source of reinforcement for, the regular army, and its membership carries with it a liability for more than purely local service. The Indian Territorial Force thus differs in scope from the Auxiliary Force, which is so far confined to European British subjects. This body can only be called out for service locally, being intended primarily for those who can undertake military training only in their spare time and are unable to afford the more lengthy periodical training which constitutes the obligation of the Indian Territorial Force. Indian political opinion has long seen in the position of the military force evidence of racial discrimination and in 1924 the Legislative Assembly discussed a motion recommending its amalgamation with the Indian Territorial Force. In deference to the feelings expressed on this point, the Indian Government appointed a Committee to enquire into and report what steps should be taken to improve and expand the Territorial Force so as to constitute it an efficient second line to the Regular Army and to remove all racial distinction in the constitution of the non-regular military forces in India including the Auxiliary force. This Committee, which was presided over by Sir John Shea, took evidence in November, 1924, and the report embodying its recommendations was published on February 23rd,

1925. The Committee regarded the functions of University Training Corps as primarily educational and those of the Territorial Force as the means of imparting military and patriotic ideals in order to lay the foundations upon which the national army could be built up. They, however, considered that the growth of a national military spirit should not be forced by any application of compulsion; that the University Training Corps should not have any liability for military service; that the members of the Corps should be drawn from the staff and students of Universities and Colleges as at present; and that the cadre must be allowed to expand up to its natural limits without arbitrary limitation by the military authorities, provided the educational authorities could guarantee a fixed minimum of members and arrange for suitable officers. In their report the Committee suggested that units should be organised in every respect on the same lines as those of the regular Indian Army, while the Auxiliary Force should be organised as regular British Units. Both the Territorial and Auxiliary Forces should, it was recommended, be liable for general service including service in aid of the civil power, liability for service beyond the limits of India being enforceable only in case of emergency and under the special order of the Governor General in Council. The Committee suggested that in future the Territorial Force should consist of two classes, one recruited from the rural areas as at present; and the other drawn from the urban areas, in such fashion that the educated classes should enjoy suitable opportunities for military training of the kind practised in the Auxiliary Force. In course of time, the Committee hoped, recruitment to urban battalions would be limited to those who have had previous military training in the University corps. The Committee further suggested that the minimum period of training must be three months in the first year and two months in subsequent years. When the provincial battalions attain a higher standard of efficiency, an attempt should be made to raise a few cavalry squadrons in districts where it is possible to recruit cavalrymen, who could be trained for six months in the first year and three months in subsequent years. The Territorial Force, the Committee agreed, should not be extended beyond the limits of a second line force in strength and no extension of the Auxiliary Force was considered necessary at present. The Committee also made a number of subsidiary recommendations of a technical and administrative kind. All these recommendations were considered by the

Government of India in consultation with provincial governments and the considered recommendations of the Government of India have since been approved by His Majesty's Government.

Before leaving this general discussion of the Indian military organisation a few words may be said about the attitude of Indian politicians towards the expense of military defence to this country One of the contributory causes of the demand for rapid Indianization is to be found in the present cost of India's military defence. India spends upon her military organisation, including the Royal Indian Marine, a sum of between 50 and 60 crores of rupees out of a total net central and provincial revenue of about 220 crores. The percentage of India's revenues spent on military and naval defence is thus seen to be a high one but the annual *per capita* cost works out to less than Rs. 2 that is less than 1/20 of the *per capita* cost of defence in the United Kingdom. Moreover the percentage of the total revenues of the country devoted to defence has decreased annually for some years past. In 1921-22 it was 41·95 per cent. of the whole, in 1922-23 it was 36·01, in 1923-24 it was 28·84, in 1924-25 27·27 and in 1925-26 it was 27·37. For the year 1926-27 it works out at exactly 25·0 or $\frac{1}{4}$. These figures show beyond any possibility of dispute that the Government of India have made serious efforts to meet the continually repeated demand of retrenchment on military expenditure. But they do not tell the whole story. Not only are the sums now spent on defence a smaller percentage than formerly of the total revenues, but they are a smaller percentage of smaller revenues. Thus the final figures of central revenue for the year 1924-25 showed a total of 137·5 crores, for 1925-26 133·32 crores, whilst the revised estimate of revenue for 1926-27 is 130·25 crores and the total estimate of revenue for 1927-28 is 128·9 crores. The truth is that expenditure even on the most vital military services has now been pruned to the sap, and as Field-Marshal Sir William Birdwood told the Legislative Assembly last year, purchases of improved war material necessary for the full efficiency of the Indian Army have had to be deferred until funds become available. Chief amongst the necessities which are lacking is the increase in mechanical transport. There is no question but that the solution must be found in an increase of mechanical transport in civil life in India, which will render possible a scheme of subsidisation for war purposes. Until that has been achieved the army will be forced to maintain in peace more transport than it can

usefully employ. Moreover the Indian Military Budget includes a number of items which are not, strictly speaking, of a military character, such as expenditure on the Prince of Wales' College at Dehra Dun and the King George's Military Schools at Jullunder and Jhelum in the Punjab, Customs duties, War Pensions, which in England are borne by the Ministry of Pensions and not by the Army, and Transportation, Post, and Telegraph charges, the greater part of which are returned to the Indian Revenues through the Railways and the Posts and Telegraphs. All together these items account for the large total of roughly $4\frac{1}{2}$ crores of rupees. It is quite obvious therefore that much of the criticism directed against military expenditure in India does not take account of all the relevant facts, and it also suffers because those who advance it do not appreciate the fundamentals of the subject. It is true that compared with other countries which have a heavy military budget India is poor, but it is impossible to argue that her military expenditure should bear only the same proportion to her total revenues as it does in some richer countries. The soldiers argue that the defence expenditure of every country is necessarily regulated by certain constant and fundamental factors, the chief of which is natural vulnerability. At any rate, the foregoing discussion of military expenditure in this country shows that the authorities have, to say the least, made every effort consistent with the safety of India to reduce their expenditure on military and naval services to the lowest possible point. It must be borne in mind that developments in equipment may produce an increase or decrease in expenditure. An army cannot afford to stand still. Fortunately there was no need for abnormal expenditure on the army during the year under review. The Frontier, as we have seen, was peaceful and though on a large number of occasions troops had to be called out in many parts of India as wide apart as Burma and Quetta in aid of the civil power, the occasions for their use were not prolonged and on nearly all occasions the actual moral effect of the presence of the troops was sufficient to ease the situation and very seldom had they to resort to the use of fire-arms or bayonets. The value at which the civil authorities estimate the use of British personnel whether of the regular or auxiliary force, on these occasions, can be seen from their demands for these troops especially in such places as Calcutta. Armoured cars also have, merely by their presence, repeatedly proved their value in maintaining law and order. The

force sent from India to China was a comparatively small one consisting of a mixed brigade of two battalions of British Infantry, two battalions of Indian Infantry, a pack battery, a Medium battery Royal Artillery, and a company of sappers and miners with ancillary troops. Since their arrival at Shanghai their duties have been confined entirely to protecting the lives of those for whose safety the British Empire is responsible.

For the Air Force the year has been a peaceful one. No active operations were carried out by it on the Frontier, but it has successfully co-operated with the Razmak mobile column on two occasions and also during the relief of the Chitral garrison. A opportunity was afforded of photographing the Swat Valley during the Darbar held to instal the Mian Gul of Swat. The results obtained were highly satisfactory.

Many requests were made to the Air Force to carry out aerial survey, the value of which in conjunction with ground operations is becoming increasingly appreciated in a country of the size and topographical character of India. Among the more important services carried out may be mentioned—

(*a*) Mirpar Khas-Nagar-Parkar Line for the North-Western Railway.

(*b*) Multan City for the preparation of a new 1/20,000 map by the Survey Department.

(*c*) Sulemanke Headworks—Sutlej River Survey of a reach 80 miles down stream from Ferozepore 8 miles long and 2 miles wide for the Punjab Irrigation Department.

(*d*) Jumna River Survey of an area 13 miles by 6 miles for the North-Western Railway in the area of the Jumna Bridge at Kalanur, to enable data to be obtained for defensive measures on the right bank.

(*e*) Continuation of the Survey of the Wana and Pir Gul areas in Waziristan.

This year the Royal Air Force organised an Air Display in Delhi for the first time for the benefit of the Royal Air Force Memorial Fund. Detachments from every Royal Air Force unit in India were concentrated at Delhi with certain new types of machines loaned by the Air Ministry and a Vickers Victoria lent by the Air Officer Commanding, Iraq. Also Messrs. Stacks and Leete gave an exhibition on the two Moths which they had flown out from

England. The display was a great success in every way and passed off without a hitch, including the concentration and return of machines. It was witnessed by huge crowds and among other distinguished spectators were Their Excellencies the Viceroy and Lady Irwin, and His Excellency the Commander-in-Chief and Lady Birdwood.

The visit of the Secretary of State for Air as well as the visits of other British and certain foreign aviators have been already chronicled. Sir Samuel Hoare whilst in India made a tour of inspection of the Royal Air Force Units on the Frontier by air in a service aeroplane.

During the year Vice Marshal Sir Edward Ellington, K.C.B., C.M.G., C.B.E., relinquished the command of the Royal Air Force in India to take up that of Iraq and was succeeded by Air Vice Marshal Sir Geoffrey Salmond, K.C.B., K.C.M.G., D.S.O.

The proposals for the re-construction of the Royal Indian Marine as a combatant Indian Navy to enable India to enter upon the first stage of her naval development were detailed in the last year's report. Considerable progress has been made during the year under review towards the inauguration of the Royal Indian Navy. The Bombay Dockyard has been busily engaged on the equipment of the Depot Ship, and only one sloop remains to be acquired in order to complete the initial strength in ships. Details of recruitment, organisation and finance have been worked out, and the most important of the proposals of the Government of India under these heads are already in the hands of the Secretary of State. The necessary legislation in Parliament has been undertaken and the consequential Indian legislation in regard to the discipline of the new force will be introduced in the Indian Legislature as soon as possible. When the latter legislation is passed, the Royal Indian Navy will come into existence.

CHAPTER VII.

Dyarchy.

Dyarchy and the Reserved Departments.

"Dyarchy" is a compound of two Greek words and means government by two authorities. The dyarchic system has been applied in India only to the provincial governments and not to the Central Government. Its fundamental aim is the gradual development of "responsible" government through the education of the people in the use of democratic institutions and the actual handling of power. It is also meant to subordinate historic feuds and communal differences to a sense of common nationhood. There is no need to enter here into the reasons for its adoption, or for its restriction to the provincial governments. It is enough to say that in the circumstances amid which India found herself at the time of the Reforms those responsible for her welfare and safety decided that dyarchy offered the best method of combining stability with progress.

The outstanding feature of the Government of India Act, 1919, and of the rules made thereunder is the division of the field of government in the provinces between two authorities—one amenable to the British Parliament and the other to the Indian electorate. This has necessitated a prior classification of the subjects of Government into the two spheres of Central and Provincial, by which a number of very important administrative subjects, henceforth technically known as "Provincial" subjects, have been entrusted to the reformed Local Governments. These include Local Self-Government; medical administration, public health and sanitation; education; public works and water supply, with certain reservations; land revenue administration; famine relief; agriculture; fisheries and forests; co-operation; excise; the administration of justice, subject to legislation by the Indian Legislature; registration; industrial development; police; prisons; sources of provincial revenue; and many miscellaneous items. This cleared the way for the division, within the Provinces, of the functions of Government between an authority responsible to Parliament and an authority responsible to the electorate. Under the reformed constitution, therefore, the Provincial Executives now consist of two portions. The first half

is the Governor, working with Executive Councillors nominated by the Crown; the second is the Governor, working with Ministers selected from members of the Provincial Legislature. The first half administers certain subjects known as "Reserved" and is responsible for them to the Central Government and ultimately to Parliament. The second half deals with "Transferred" subjects and is amenable to the Indian electorate. Among the most important of the subjects so transferred to popular control are Local Self-Government; medical administration, and public health; education; public works, under a number of important heads; agriculture; forests and fisheries; co-operation; excise; registration; industrial development; and other minor items. Thus a very large proportion of those administrative subjects on the development of which India's progress depends have now been made over directly to Indian control.

The history of the first few years of the Reforms with its record of dangerous agitations, unrest, and untoward financial conditions, both in the Central Government and in the provinces, is an oft told tale and one which need not be repeated here. It is enough to say that the reformed system of government in India has ridden out the various storms which beset it and that the ship of State has progressed some distance towards her appointed goal. The history of the Indian provinces during the year under review will show this progress being on the whole maintained and furthered.

Of the "Reserved" subjects, which are suitable for description in this report, irrigation and forests have already been discussed, and this chapter will be confined to the work of the police throughout India. Earlier numbers of this report have given accounts of the wave of crime which swept the whole country during the years immediately following the Great War. During this period we see a great increase in serious crime against the person and property, an increase which cannot but be ascribed largely to the effects of the great agitations and occurrences mentioned above. The four or five years which followed the year 1919 were probably as difficult and dangerous for the Indian Police as any they have experienced since there have been organised police in this country, but, apart from the above-mentioned great causes of crime, there were other conditions tending to make these years a time of records in criminal statistics. Some of those who returned from the War found themselves disinclined to take up again the humdrum pursuits which

they had left, and many of these men found their way into the criminal ranks. Again, quantities of fire-arms were smuggled into India and the possession of these either gave the incentive or provided the means for many potential criminals to take up a life of crime. Lastly, the years which followed the War were for India, as for every other country, years of financial stress and economic pressure, both of which produced their results on the criminal statistics. It is possible that the years between 1920 and 1924 witnessed the greatest wave of crime which has ever swept British India. Crimes of violence reached their peak in 1922 and no province in India escaped the fell effects of the wave. Murders and dacoities increased to an alarming extent, and in all too many cases the weapons used to commit the crime were fire-arms. Thus the police were taxed to the very limit of their powers at a time when India was more disturbed internally than she had been for at least a couple of generations. Law and order, which are the very foundations of settled government, were being powerfully assailed at the very time when the whole thought and energy of the Provincial Governments were required for the immensely difficult and important work of translating the provisions of the Act of 1919 into realities of Indian politics.

At the best of times, crime in India tends to throw a greater strain on the administration and to develop more easily, more frequently, and more rapidly into situations which call for the use of other than merely police power than it does in Western countries.

The Hindustani word for criminal, in the sense of "criminal" law or "criminal" administration, is *faujdari*. Under the Moghuls the officer entrusted with the criminal administration of a district was called the faujdar and he was a military officer with a force at his disposal strong enough to enable him to keep the unruly elements within his jurisdiction in check. Going a little further into the meaning of "faujdari" we note that "Fauj" is the Hindustani word for army and so the present Hindustani word for "criminal" carries us straight back to the days when every investigation into a serious offence was a military operation. And to this day widespread and prolonged disorder such as the Khilafat, Non-Co-operation and Akali Sikh agitation may give rise to situations which call for the use of troops, whilst every-day crimes like dacoity, or gang robbery with violence, may necessitate the undertaking by the Police of operations of quasi-military character like those now

being carried on against the formidable bands of dacoits in the United Provinces. Again, the story of the Thugs throws a flood of light on the conditions of the police problem which faced the early British rulers of India, and over vast stretches of this country the physical conditions which made possible the prevalence of Thuggi remain unchanged since the days of the famous Major-General Sleeman, who in the thirties of last century first began to tackle this abominable crime. It is not so very long ago that over a great part of India there was no security for life or property, and to this day Indian society contains many potential criminal elements which need only opportunity to come to the fore. Thousands of villages and hamlets lie far remote from their nearest police station and from police help in times of danger. The basic unit of police organisation in this country is the Thana, or police station, and there are rural police stations in India with jurisdictions as large as some English counties whose staffs do not number more than about a dozen men. The Riverain tracts with their vast areas and tall grasses and dense undergrowth, and the immense jungles and mountain ranges of India afford ample protection for fugitives from the law. In such circumstances it is obvious that Indian criminals have many opportunities which are denied to them in other civilised countries. The mere possession of a lethal weapon, particularly a fire-arm, is often enough to start a man on a career of crime, and the Hindustani equivalent of the English proverb " Might is Right " is an illuminating commentary on this. " Jiski lathi uske bhains ", it runs, that is, " Whoever holds the stick takes the buffalo ", and the strong man armed still takes the buffaloes of his weaker and more law-abiding neighbours. Cattle theft is still rife all over India and from what has been said in Chapter III about the part played by cattle in the rural economy it will be readily perceived what the loss of his cattle means to the Indian agriculturist. Also a very large percentage of prosperous Indians do not bank their superfluous cash but bury it in some secret spot or put it into the form of jewellery for their wives and daughters. The dacoit has many effective methods of persuading his victims to reveal the whereabouts of these hoards of coin and jewellery and thus a dacoity or a cattle theft in an Indian home is often to the sufferer what bankruptcy is to the tradesmen or professional man of the West. The day-to-day problem of the Indian police is far from being an easy one and it is certainly not becoming less complicated with the

passage of time. Increasing education together with its beneficial effects has the drawback of making many criminals more clever at their work and of introducing them to new and sophisticated forms of crime. The railway, the telegraph, the motor car and so on have been pressed into the services of the criminals of this country, whose greater mobility and knowledge as compared with some years ago makes them ever more serious antagonists for the Indian Police. In fact, the criminal elements in Indian society are pressing all the time on the latter's defensive arrangements and when circumstances favour them, they break through and cause widespread havoc and ruin. The typical problem of the Indian Police is not concerned with the sophisticated crime in the cities but of securing to the dwellers in the widespread and remote rural areas protection and security. This task the police are coping with successfully after the storm and stress of the years of disturbance. In last year's report, a receding of the crime wave was noted and if it were not for the Hindu-Muhammadan troubles the condition of India would now be more peaceful than it has been for years past. No great political agitation is now on foot and crimes of all sorts continue to decrease.

During the year under review every province in India with the exception of the Central Provinces saw an actual decrease in crime, particularly in serious crime. In the Central Provinces the figures for 1926 were somewhat higher than those of the previous year, but the rise, which was very slight, was due to economic causes. Serious crime remained low. The police authorities in Delhi, the Punjab, the United Provinces, the Central Provinces, and Bengal all comment on the tension existing between Hindus and Muhammadans and its results in the increased difficulty of police work. The Senior Superintendent of Police in Delhi reports that throughout the year the state of inter-communal feeling was such that it was unsafe to permit even a marriage procession to proceed through the city without police protection, and that there were countless occasions when disturbances were only prevented by the timely intervention of a police officer. Yet, in spite of this diversion of the activities of the police from their normal functions, the measures taken to cope with crime in Delhi were distinctly successful, and during 1926 serious crime showed the smallest figure of any in the past five years, whilst the percentage of convictions to true cases reported was the highest in the same period.

In the United Provinces the Police met with much success during 1926 in their operations against the numerous dacoit gangs whose activities gave rise to a very serious situation in the Province a few years ago. A dacoit is one of a gang of five or more persons who commit or attempt to commit a robbery, but dacoit gangs usually number more than five and are often strong bodies of men armed with fire-arms and other lethal weapons. Murder is a frequent accompaniment of dacoity, and, owing to the natural and other difficulties in the way of the police, which have been already indicated, one dacoit gang may for months remain a scourge to the countryside. In the year 1922 the United Provinces suffered to an alarming extent from the operations of dacoit gangs, no fewer than 1,348 dacoities taking place in that period. In 1925 the number of dacoities had fallen to 966 and in 1926 this number was still further reduced to 742, the districts most affected being Agra, Unao, Bahraich, Cawnpore, Sitapur and Meerut. In 296 of these dacoities fire-arms were used. Two hundred and ninety-two cases were brought into court, of which 217 ended in conviction. The serious state of affairs in 1922 determined the Government of the United Provinces to take special measures to cope with dacoity, and in that year a special force of dacoity police was formed under the command of Mr. F. Young, Superintendent of Police, to undertake whole time duties in respect of the prevention and detection of dacoity. This force has gradually become a body of specialists whose help is now requisitioned in practically every serious outbreak of dacoity and the value of its work can be gauged from the drop in the figures of dacoity for the past five years. The operations of the force disclosed the fact that gangs operating far apart have connections with each other and that local gangs seldom act without calling in expert dacoits from outside. The Special Dacoity Police arrested in 1925 no less than 528 persons belonging to thirteen defined gangs who were known to have been concerned in at least 375 dacoities. The number of persons convicted was 321 and there were at the close of the year 1926, 291 persons under trial. Property valued at Rs. 26,580, in addition to 26 guns and 6 revolvers, was recovered by this force during the year. During the year 1926 and the early part of 1927 the Special Dacoity Police were occupied in the prosecution of gang cases. Close on 300 persons were convicted in these cases and a further 822 dacoits are now under or awaiting trial. Mr. Young was also engaged in prepar-

A party of Special Dacoity Police crossing the Parbati river, Dholpur State, with prisoners and loot captured in a successful raid on the Kanjar gang.

ing for a campaign against the Chamal Kanjars who for generations have been a menace to the Agra and Bundelkhund divisions of the United Provinces, and, among others, to the neighbouring states of Gwalior, Dholpur, Bharatpur, Karauli, and Dattia. A number of raids on dacoit haunts which were carried out under great difficulties met with marked success on the 5th of April 1927, when the Special Dacoity Police and the Gwalior State Police encountered two Kanjar Gangs in the Chambal ravines, and broke them up after a sharp engagement in the course of which one of the leaders was shot and 11 of his followers were captured. This account of the Special Dacoity Police force in the United Provinces is an interesting illustration of the permanence of certain features of life in the Indian countryside. The loneliness and defencelessness of the villages are much the same as they were half a century and more ago, whilst the dacoits are drawn to a large extent from criminal tribes some of which are hardly, if at all, different from their predatory forefathers who terrorised the countryside before the coming of the British.

The report from Burma is encouraging. It should be noted here that crime in Burma had increased during the past few years to a point at which it caused the Government of Burma the very gravest concern, and where it had to be met by special measures and exertions. They are now reaping their reward for during the year ending March 31st, 1927, dacoities, robberies and fire-arm cases all showed a marked reduction, as compared with the previous year. Murders, which have been steadily increasing of late years, showed a slight increase over the figures for the previous year. The question of murders, the causes underlying their continued increase, and the methods to be adopted to combat them were considered by His Excellency the Governor in Council, with the result that a Committee was appointed to devise means of solving a problem which has become a matter of considerable anxiety. Vigorous action was taken during the year under the Criminal Tribes Act and this resulted in a number of new gangs of criminals being proclaimed and in the opening of a Reformatory Settlement at Paukkaung in the Prome District, to which the most notorious members of each gang have been or are being restricted. "Open Season" Police Patrols and better communication by means of wireless on the Siamese border had a salutary effect, and important crimes in border districts showed a big reduction in consequence.

Burma, with the immense and often trackless areas, and other physical difficulties presents special problems to the police administration, and descriptions of incidents in the day-to-day working of the Burma police are apt to read like extracts from Edwardes' "Year on the Punjab Frontier," or some other classic of the old days when British rule was still new in India. One such incident may be quoted here. On the 20th of November, 1926, the District Superintendent of Police, Toungoo, acting on information received, set off with a party of Police to round up two notorious outlaws named Maung Gyi and Po Kyin, for whose arrest rewards had been sanctioned. Several days later, after a strenuous trek through the jungle, the party came on the outlaws' hiding place. The Police approached the hut and the District Superintendent ordered the outlaws to surrender but was answered by gun-fire from inside. One of the shots hit him in the knee and stopped him from taking any further part in the encounter. The Police party continued firing until the fire from inside the hut had ceased. When they rushed the hut they found outlaw Maung Gyi lying dead with a gun at his side. Po Kyin had succeeded in escaping under the cover of his dead companion's fire. Search parties were quickly organised and sent out to run him down. When he was arrested it was found that he had been badly wounded in the encounter with the police, and, in fact, he afterwards died of his injuries. From him, the police took a double-barrelled gun, some loot taken in a dacoity and a large sum of money which he and his dead companion had received in a case of human ransom.

The Bengal Police have met with considerable success during the year under review in burglary investigations. They have developed the system of "Crime Centres" which provides for the patrolling of any locality immediately after more than one case of burglary is reported there. The total number of burglaries reported in the year under review is the least on record since the formation of the province in 1912. In many districts clever and plucky police work resulted in the capture of dacoits and other dangerous offenders. Madras also reports increased success in detection and a general improvement in police working.

In the Punjab the statistics of crime for the year 1926 point to a marked improvement on the years immediately preceding it. Though economic conditions could not be described as normal, this

rather unfavourable factor produced no noticeable effect on crime. The political horizon, in spite of the prevailing communal tension, remained comparatively clear and as a result the Police were able to devote themselves with greater energy to ordinary crime. The outstanding feature of the year's work were: the special campaign against cattle thieves in the South Eastern Punjab, effective action against dacoits, robbers and criminal tribes, large seizures of illicitly-possessed arms and more vigorous use of the preventive laws. Eliminating petty cases from consideration, the police brought down the total volume of true cognizable cases from 33,112 in the previous year to 30,686. Of these 10,277 or over 33½ per cent. were successfully prosecuted to conviction. This percentage of convictions is the highest since 1919. The crime figures for 1926 thus afford some legitimate ground for satisfaction and the Governor in Council expressed his appreciation of the result in a letter which was circulated to all District Officers. Cases of rioting fell from 822 to 660 cases. There were 600 murders compared with 657 such cases in the previous year, the principal motives, *viz.*, sexual relations, land disputes and blood feuds, remaining the same. Dacoity showed a marked decline from 160 to 147 true cases, the best record since 1919. The special force which was organised to hunt the armed dacoit bands headed by two notorious outlaws named Shahabu and Kammun who had created a reign of terror in the Central Punjab districts succeeded in effectively checking the activities of these organised gangs and in accounting for 44 out of 48 members of one band and 34 out of 36 members of the other. The arrest of Kammun included a very gallant episode. A substantial reward had been offered for information leading to Kammun's arrest which tempted an associate of his to betray him. Accordingly when the dacoit leader accompanied by a member of his gang visited the man's house he set out to inform the Police. On his way he met Constable Allah Rakha of the Sialkot District and informed him of the presence in his house of the two dacoits. The Constable immediately proceeded to the village, quietly collected the Lambardar, Chowkidar and certain other villagers and approached the house indicated. His companions on two occasions failed to follow him, but after rallying them, he managed to fasten the door from the outside. The dacoits, becoming aware of what was happening, smashed down the door and endeavoured to escape. At sight of Kammun's gun most of the Constables' companions fled.

He, however, rushed at the armed dacoit and grappled with him as he was attempting to mount his horse. Kammun fired but the Constable was so near that the barrel of the gun passed under his arm-pit and the shot failed to have effect. The second dacoit came to the rescue of his companion, but the villagers at this juncture rushed in and after a desperate struggle secured both the dacoits. Kammun was wanted in a series of dacoities and murders and it was not believed that he would be taken alive. Other dangerous gangs of dacoits in several parts of the province were also successfully accounted for by the Police. Burglary statistics, perhaps the truest index of the public security, showed a fall from 15,900 to 13,750 cases. This is the best record of the preceding quinquennium. A disturbing feature of the serious crime was the increasing use of fire-arms, especially unlicensed fire-arms in the commission of offences. In this connection it is also interesting to note that no less than 16 Police officers received injuries while in the execution of their duty. An appreciable percentage of the volume of crime especially of burglaries, is attributed to members of Criminal Tribes and a number of these have been brought to book. Ordinary theft accounted for 5,248 cases, the lowest figure since 1917. Cattle theft continues to prevail and showed an increase from 2,157 to 2,346 cases. This difficult problem is now being dealt with by a special force of 1 Deputy Superintendent of Police, 2 Inspectors, 8 Sub-Inspectors, 5 Head Constables, and 16 Constables, who are operating with some success in the districts of the South Eastern Punjab. Cattle theft has always been one of the serious problems of crime in the Punjab, and from time to time organised efforts have been made to cope with it in particular districts. In 1925 a conference of Police Officers of the Punjab and the United Provinces proposed that a special force should be employed by each Province to deal with cattle theft in the Districts on both banks of the Jumna. This special force was appointed in 1926, the Punjab portion being placed under the Criminal Investigation Department. Their enquiries showed that cattle theft existed on a large scale, especially in the Karnal District and that in most cases no report was made to the Police. The difficulties of identifying cattle to the satisfaction of a court, the damage to animals from their having to be kept in Police custody in unsuitable conditions, the length and delays of legal procedure have all combined to make the ordinary villagers avoid the police and the courts and seek the quicker and

less troublesome remedy of ransoming their cattle from the thieves. In these circumstances cattle theft has aways been able to flourish, and influential and otherwise respectable men have adopted the role of 'Thangdars', *i.e.*, persons who act as clearing houses for the receipt and disposal of stolen cattle. As 'thangdars' these men can obtain information concerning the whereabouts of stolen cattle and the man who loses his animals can thus often get them back by approaching the proper people. A 'panchayat' is formed, on which the 'thangdar' is represented, an amount as ransom is fixed and when this amount—often 50 per cent. or more of the value of the animals concerned—has been paid the complainant may, or may not, get his cattle back.

To facilitate identification the experiment has been started of tattooing the ears of cattle in the Karnal District. The system proved popular with the public and as a result a scheme has been evolved by which an individual number can be given to every animal in Northern India. Consideration is also being given to providing facilities for the registration of sales of cattle and endeavours are being made to expedite the hearing of cases. No solution has yet been found to the problem of how to keep cattle fit during the investigation and trial of the cases which arise out of their theft and recovery. Legally they must remain in police custody and the police have not the facilities or the staff at each police station to guard, graze, feed and milk them. Again, driving animals to and from court and keeping them in the court compound all day is obviously harmful and exposes them to disease. Unless the law is altered in certain particulars, a suppliant of justice, having spent time and money attending the courts with his witnesses can at best only get his animals back either diseased or out of condition.

The confidence inspired by the activities of the special cattle police has encouraged the public to come forward with information regarding cases which have hitherto been suppressed owing to fear of reprisals on the part of the big cattle receivers. This is one of the causes of the increase in the figures of this type of crime. The work of the special cattle police has been well received by the public, has been favourably commented on by a number of Members of the Provincial Legislative Council and shows every promise of being successful in its operation. The indications at present are that the general adoption of the system throughout the province

will result in considerably curtailing the activities of the cattle thieving fraternity and thus ensuring to the agriculturist the safety of his most valued possession.

Some of the murders reported to the Punjab Police during the year show how cheaply human life is held in some parts and among some sections of the population of this country. The following two cases may be quoted as instances. In the Ambala District, a woman murdered her three children aged 9, 8 and 5 respectively by throwing them into a well. The reason for this triple crime was the paltry one that she had quarelled with her co-wife in the absence of her husband. The second case was reported from a village in the Jullundur District, situated in an area which in the past was notorious for female infanticide. Here a Sikh murdered his daughter aged 2½ years because he grudged the expenditure which he would have to incur on her marriage. It is strongly suspected that he had previously murdered two other daughters for the same reason. This is the first case of female infanticide reported from this neighbourhood for some years. Formerly the Jullundur District was one of the worst places in India for this abominable crime, but the police, after it passed into British possession with the conquest of the Punjab, stamped out infanticide and are not likely to allow it to be revived.

The celebration of the Hindu festival of the Dussehra at Lahore in October 1926 was marked by a disastrous fatality. At the conclusion of the last day's proceedings, just as the crowd was beginning to return to the city from the public park where the festivities had been carried on, a bomb exploded on the road leading to the city killing two men on the spot and severely wounding many others. The wounded were at once removed to hospital where 10 men succumbed to their injuries. A thorough investigation followed but no clue has yet been obtained to the perpetrator of this outrage which is as wanton a crime as can possibly be imagined.

Bombay reports a peaceful year on the whole. During the past three years or so, the Presidency Police have taken vigorous action against dacoits, outlaws and other dangerous criminals and the results of their labour are now beginning to be seen. It is true that murders show a slight increase, but the total number of cases of dacoity and robbery taken together was the least recorded during the last quinquennium. The total number of burglaries reported

during 1926 is also the least for any of the past five years. It is worthy of note that the success attained by the Bombay Police in burglary investigations, which are notoriously the most difficult of all investigations in India, compare well with that obtained in England. By striking vigorously at receivers of stolen property the Bombay Police are removing one of the main props of burglary.

Inter-communal tension throughout the year compelled the police in Bombay as elsewhere to take extraordinary precautions to prevent clashes.

The North-West Frontier Province shared in the general fall in crime during the year 1926, the figures for that year indeed being the lowest since 1918 and well below the average for the past ten years. The number of murders was less than in the preceding year and it is satisfactory to read the opinion of the Senior Superintendent of Police, Peshawar, that murders in pursuit of the blood feud are decreasing from year to year except among those who have strong relations across the border. Even so out of 462 murders reported during 1926, 114 were committed in pursuance of blood feuds. In one of these murders a boy of nine was shot dead in connection with a feud started by his father fifteen years previously. The father had died in jail with one murder too many to his credit and the son's life was taken to balance the account.

During 1926 police activities in Assam were directed largely to the prevention of crime by the institution of proceedings under the preventive sections of the law against gangs of known criminals, to the registration of habitual criminals, particularly on the borders of the province, under the Criminal Tribes Act, and to giving greater attention to the surveillance of bad characters and suspects by wider and more frequent patrolling. The result of these measures had been a marked reduction of offences against property.

The police all over India are thus seen to be sustaining with credit their heavy burden but not without cost to them in life and health. Between April 1st, 1926, and April 1st, 1927, five policemen were killed and 10 officers and 72 men were injured in encounters with law-breakers in the United Provinces. In Burma during the same period 10 men were killed and some others including the District Superintendent of Police of Toungoo were wounded. In Bombay one Head Constable and four constables were killed during the year

in the execution of their duty and similar casualties will be reported from other provinces when statistics become available.

Since the inauguration of the Reforms the authorities responsible for the control of the reserved departments have withstood an unparalleled strain with success. We saw last year that sustained efforts are being made to disseminate propaganda designed to create a revolutionary spirit among the masses and to induce them to overthrow the entire existing social and political system, and we shall see shortly that these efforts have continued during the year under review. Before turning to this subject, however, we might pause to study the history of what is known as the Kakori Conspiracy Case. This is not connected with the Communist movement but with the Bengal conspiracy and it is a reminder of the dangerous forces which still hide in the underworld of Indian crime and manifest themselves from time to time, forces which the success of Communist propaganda would undoubtedly let loose on this country. The story is briefly as follows:—

Early in 1924, branches of a revolutionary organisation calling itself the Hindustan Republican Association were formed in various places in the United Provinces, the object of which was the establishment of a so-called "Federated Republic of the United States of India." This was to be achieved by means of an armed rebellion, and to this end it was decided to collect funds in as many ways as possible, including the use of force and the commission of crime. In furtherance of the common object of this Association, certain of its members committed crimes in the United Provinces and distributed revolutionary literature there and in other provinces. All the crimes were accomplished by violence and murder, and in one of them, brutal torture was used. In the last crime of the series, an armed dacoity committed on the night of the 9th August 1925, over Rs. 4,600 in cash and currency notes was plundered from the cash chests in the guard's van of a train travelling from Moradabad to Lucknow, just a little way outside the Kakori Railway Station, and one person was killed.

The formation of this Association in the United Provinces was partly the work of one Jogesh Chaterji, *alias* Roy, an old Bengal revolutionary, who had gone to Benares from Calcutta in the latter part of 1923. He was associated in this work with Sachindra Nath Sanyal, a Bengali domiciled in the United Provinces, who had been

convicted in the Benares Conspiracy Case in 1915, and again in 1925 for the dissemination of a seditious leaflet entitled "The Revolutionary."

Jogesh Chaterji was arrested in Calcutta in October 1924, and dealt with under the Bengal Ordinance. Among the papers found on his person at the time of his arrest were found certain manuscript documents which revealed the places in the United Provinces where branches of the Hindustan Republican Association had been organised. It is an interesting fact that the dissemination of "The Revolutionary" was generally largest in those places where branches of this Association existed.

The Police quickly realised that the Kakori dacoity was a political crime and the investigation was consequently narrowed within certain limits, a proceeding which rapidly led to results. A number of persons were arrested who included several former members of an old revolutionary gang which had its headquarters at Mainpuri in the United Provinces.

Some of the arrested persons were Bengalis domiciled in the United Provinces, and one of them Govinda Kar, an ex-revolutionary convict, had recently arrived in the United Provinces from Bengal, apparently to carry on the work which had been started by Jogesh Chaterji. The connection between the United Provinces and Bengal was further established by the arrest of an absconder in the Kakori Case named Rajendra Nath Lahiri, with other revolutionaries, in a house at Baranagore, a suburb of Calcutta, where bomb-cases were found. Some of Rajendra's associates on this occasion were afterwards responsible for the brutal murder of Rai Bhupendra Nath Chatterji Bahadur, Superintendent of Police, in the Alipore Jail, Calcutta.

On the completion of the preliminary enquiries 28 persons were sent up for trial. The case against two of these accused was subsequently withdrawn, two approvers were granted conditional pardons, and three others were absconding. Of the 21 remaining accused two were acquitted, three were sentenced to death, one to transportation for life, one was allowed bail on account of illness and not then tried and the remainder received various terms of imprisonment varying from 5 years to 14 years.

During the course of the trial of the main case, two of the absconders, Ashfaqullah and Sachindra Nath Bakshi were appre-

hended. They were tried in a supplementary case and Ashfaqullah was sentenced to death, whilst the other man was sentenced to transportation for life.

During 1926-27 Communism in India has been both more active and more vocal than in the preceding year. The continuing disorders in China, which led to the despatch early in 1927 of an Indian brigade to Shanghai, have served not only to focus the attention of Indian politicians on the Chinese situation, but to bring more vividly before their minds the importance of Bolshevik Russia as an active and potent force in world politics. This natural and perfectly intelligible interest in the affairs of a great adjoining country has assuredly not been permitted to languish for want of stimulation from outside, for there has been no lack of authoritative pronouncements from Moscow that the Chinese disturbances are as no more than the first tremors of a great revolutionary upheaval that will dash the British dominion in India to pieces. Such forecasts are seldom devoid of the suggestion that the eyes of the Indian nation should be lifted to that power which has unselfishly taken upon itself the championship of the enthralled peoples of the East who are the victims of Imperialist exploitation and oppression. The main force of most of these attacks has been directed against Great Britain, who is invariably pilloried not only as the chief of the predatory foreign foes of Chinese liberty, but as the one power that is responsible for keeping India in the same bondage which China is determined to shake off. It cannot be denied, unfortunately, that this distorted conception of China's internal disorders as the struggle of a united people for freedom from foreign domination is one that has found acceptance in many Indian quarters where a truer appreciation of the realities of the situation might have been looked for.

Those agencies which have been responsible for depicting the Chinese situation in the above way have not been backward in their attempts to influence cruder minds by cruder methods. Considerable quantities of printed propaganda have been poured into India, its general nature being such as can well be imagined. Much of this material has sought to depict the measures taken by the British authorities for the defence of the lives and property of their nationals as wanton outrages and barbarities committed against a peaceful people who are seeking nothing else but their elementary legitimate rights. In the attempts made to secure the wider cir-

culation of such literature in this country the hand of Indian malcontents in China has not infrequently been discernible.

Indigenous Communism, as represented by the so-called Communist Party of India, seems to have made little appreciable headway. The meeting of the chief representatives of the Party with Mr. Saklatvala, M.P., in Bombay in January 1927, is reported to have earned them the contemptuous denunciation of the latter on account of the Party's ill-defined position, with the result that the Indian Communist Party so-called is believed to have forfeited the moral and financial support which has been extended from outside quarters to other forms of Communist activity in India.

The concluding words of the foregoing paragraph lead naturally to the mention of other events which mark a new departure from the methods previously pursued by Moscow's agents in India. To take the effect before the cause, the visible results have been the formation, at least in Bombay and Calcutta, of new 'Workers and Peasants' parties, which, unlike the Indian Communist Party, seem to enjoy both the approval and support of Communists outside India, notably the Communist Party of Great Britain. The formation of these new bodies followed closely upon the appearance in India of one George Allison *alias* Donald Campbell, who is known not only to have been actively associated with Communism in Great Britain but to have spent considerable time in Moscow. Allison's association with Bombay Communists was followed by a visit to Calcutta, in the course of which he visited the Bengal-Nagpur Railway workshops at Kharagpur, where an extensive but short-lived strike broke out in the spring of 1927. So far as is known, Allison's visit had little, if any, influence on the outbreak or duration of the strike, but the results of his sojourn in Calcutta seem to have been very similar to what was observable in Bombay. In the latter place, the leaders of the Workers' and Peasants' Party have made efforts to secure a position of influence in the Bombay Provincial Congress Committee, although so far they have met with but little success. At the end of January Allison was arrested and prosecuted for entering India on a forged passport under the name of Donald Campbell, receiving a sentence of eighteen months' rigorous imprisonment. A second visitor to Bombay appeared in the person of Philip Spratt, whose public speeches and writings have attracted a certain amount of attention, and who appears to have devoted

himself to the same objects as engaged the attention of Allison. The visit of Mr. Saklatvala was a further notable event in the history of Communistic activities of the year. In the course of his visits to many important centres in India, he delivered a number of speeches, the substance of which received wide publicity in the Press. As has already been mentioned, he, as well as Allison and Spratt, appears to have allied himself with the newer organisations in preference to the self-styled Communist Party of India.

The frankly revolutionary organisation, the parent of which is M. N. Roy, has continued its activities on familiar lines, but without striking results. Roy himself has been in China since the early spring of 1927, and both in Canton and Hankow has been active in directing propaganda attacking the British Government in India. In Hankow he has been working in collaboration with a number of notoriously disaffected Sikhs, some of them the remnants of Mahendra Pratap's "Mission" to Tibet, and he and they have published literature (both in English and Gurmukhi) of a violently inflammatory character. In so far as this propaganda had as its object the spread of disaffection among the Indian troops in Shanghai, its known results have been purely negative.

The openly confessed intentions of the Soviet to capture and direct to its own ends the indigenous revolutionary movements in India continue to be translated into action in Bengal and elsewhere. A new feature has been the alliance of the Soviet with disaffected Sikhs in America, China, and in India. These latter intrigues have already accounted for the appearance in Amritsar of a monthly Gurmukhi magazine entitled the *Kirti* (Worker).

If one is to be guided by M. N. Roy's latest pamphlet, *The Future of Indian Politics,* he has given up in despair the idea of converting to Communism the upper strata of politically-minded Indians as represented by the Indian National Congress, whom he has roundly denounced as completely 'bourgeois' in their outlook and as interested equally with the British bureaucracy in exploiting the toiling and suffering Indian proletariat. For Indian Labour movements Roy has professed an equally lively contempt, inasmuch as they have been manned so far by self-seeking representatives of the propertied classes.

CHAPTER VIII.

Dyarchy and Nation Building.

. Those Departments of Government which were transferred to the control of provincial ministers by the rules made under the 1919 Act are often called "the nation-building departments". When it is known that these include local self-government, medicine and public health, practically every form of education, co-operative societies, agriculture, and the development of industries, it will be seen that the description "nation-building" is not unjustly applied to them. These vital departments of government, it must be clearly understood, are now controlled in every province by Ministers responsible to the provincial legislative councils and dismissible by these if they forfeit their confidence. We have already seen that it is inevitable that the influence of ministers should be felt even in the administration of the "reserved" departments since the numerous activities of the provincial governments cannot be kept entirely within water-tight compartments, but in this chapter we are to study the working of the most important of the "transferred" departments, that is, those departments in which the control of responsible ministers is direct and subject to only a few necessary safeguards designed to prevent a deadlock or a breakdown in the administration machine. It is worth noticing at this point that the term "Dyarchy" has now acquired a restricted meaning and when used in conversation or in newspapers and on platform signifies the administration of the "transferred" departments. So, when it is said that dyarchy has failed, what is really meant is that the achievements of ministers in the "transferred" departments have from one cause or another not been all that was hoped when the reforms were started; it does not mean that dyarchy has made it impossible to maintain law and order or to carry on the ordinary administration of the provinces effectively, for, as we saw in the previous chapter, this is not so. The provincial governments have throughout continued to function and to function efficiently in the midst of circumstances hostile to orderly government almost without precedent in the history of British India. But before we proceed to examine in detail the work of the "transferred" departments, it may be as well to remind the reader of all but insuperable obstacles which lay in the

path of dyarchy at the time when the Reforms were inaugurated. These were the widespread and determined attacks on the very existence of an organised government in India represented by the Non-co-operation, the Khilafat and the Akali Sikh movements, the strain thrown on the administration by the wave of unrest and crime produced by these and other causes, and, lastly, by the severe financial stringency which affected every provincial government in the country. These things laid down the conditions in which dyarchy had to function for the first years of its existence and their effects have not altogether disappeared even now.

Provincial legislative activity since the Reforms has been devoted more to the subject of local self-government than to any other single item, and has centred in the regulation of municipalities and District boards (which do for rural areas what municipalities do for urban areas).

If India is to achieve that completeness of self-government foreshadowed by the last Constitutional Reforms, it is clear that civic consciousness, electoral capacity, and their concomitants must be developed even in the poorest and humblest of her people. An *intelligentsia* imbued with political notions is not enough. All the people of India, down to the husbandman and the common labourer must be able to understand and take a share in the work of government. It is in the Panchayat, the Village Union and the Local Board that India's sons and daughters must be trained in the principles and practice of popular, representative legislatures. Hence the importance of those humble institutions to the political education of the common people is obvious.

From time immemorial, organisations of the kind have functioned in India. In the pre-British era, institutions containing the elements of local self-government are known to have existed in some regions for considerable periods. Although their practical importance was negligible, their potentialities were great. But they differed essentially from representative institutions as now understood. They were not constructed on the elective principle, were not correlated with the institutions of superior administration, had few definite functions, and were not regarded as representative of the locality by the State, which was inclined to ignore them. During the chaos of the 18th century these indigenous institutions largely disappeared and the early British administrators found few traces of them to utilise in reconstructing the governmental machine.

Hence their procedure was, necessarily, not uniform. Where they discovered fragments of the old-time machinery, they used them readily, but, in doing so, were obliged to alter their character. Their pristine isolation had to go and definite relations with the superior administration had to be established. To do this it was necessary to make village officials salaried servants of the State, and, at the expense of ancient communal ideals, to regularise their functions. But where the old institutions had disappeared completely (and such was generally the case), this course was impossible, and new organisations had to be built up *ab initio*. Hence, broadly speaking, local self-government, as we know it, may be said to be a purely British product. It is partly a measure of decentralisation, partly a process of education, and thus, to some extent at least, alien to the spirit of the people.

In 1882, Lord Ripon's government made an attempt to convert these local institutions into school-houses for full self-government. They issued a resolution declaring that their object was to train the people in the management of their own affairs and that political education should, as a rule, be given preference over departmental efficiency. This well-meant effort did not produce the results for which the Indian Government looked. It was inevitable that the infant local bodies should be at first under official guardianship and thus the growth of initiative and self-reliance among those for whose benefit the system was devised, was slow, and this lessened the attractiveness of the new bodies for public-spirited men.

A material advance was made in 1918, when the Central Government promulgated fresh general instructions for the development of local self-governing institutions which reiterated the principles enunciated in 1882, announced a policy of gradual removal of all unnecessary official control, and demarcated the spheres of the State and of the local organisations. Hardly had these principles been implemented when the inception of the Reforms handed the control of local self-government over to responsible Ministers. As a result, the development of these organisations has been greatly stimulated in certain ways. Many fresh laws have been enacted, municipal bodies were reconstituted on more popular lines, the municipal franchises have been extended, and the powers of local bodies have been enhanced. Also a desire for experiment became apparent and materialised in many forms. One of the most interesting of these was

the revival of the old Village Panchayat or Committee of Elders which in some places were amalgamated and called "Union Boards". The general plan adopted was to place these ancient institutions on a modern legal basis and to provide them with definite powers and functions. While there were a certain number of failures, due chiefly to apathy and unwillingness to shoulder fresh taxation, these experiments have in some parts of India proved popular and satisfactory. Reports show that these new organisations are on the whole serving a useful purpose in the life of the people, though in places they seem more inclined to exercise their judicial functions than to attend to matters like public health and sanitation.

In 1925-26 there were 767 Municipalities in British India, with nearly 19,000,000 residents within their limits and an aggregate income of Rs. 16·20 crores. When it is remembered that Calcutta, Bombay and Madras alone hold about three million people, the average Indian municipality is seen to be of only moderate size. The great majority of the members of municipal bodies are elected and the proportion of elected members tends to increase steadily. Municipal functions relate mainly to public health, safety, convenience, and instruction, but as only some 10 per cent. of the population of British India is town-dwelling, it is clear that municipal administration cannot as yet affect the majority of the people and help to educate them in civic duties in the manner desired. Hence greater interest and importance attaches to the constitution and working of the District Board, which, is, in fact, a rural municipality. Nearly every District in British India possesses such a Board, with, usually, two or more sub-district boards subordinate to it. In Madras, Bengal and Bihar and Orissa, there are also Union Committees. In 1925-26, District Boards, sub-district boards, and Union Committees combined, numbered 1,269. Of the nearly 21,000 members of these bodies, 73 per cent. were elected and 27 per cent. represented officials (*ex-officio* and nominated members), and the tendency is for the elected element to increase. The receipts of these institutions aggregated a little over Rs. 14 crores. Their chief activities were education, medical relief, and civil works.

Such big cities as Calcutta, Bombay and Rangoon naturally lead the way in municipal progress in India. Improvement and Development Trusts have been operating for years in these and other important industrial cities and have done much good. Loans have been

floated for such objects as housing schemes, the abolition of slums, the provision of open spaces, the alignment of streets, and the segregation of offensive trades, and evidences of progress are not wanting.

From the facts and figures cited, it must be evident that a very real advance has been made in de-officialising local institutions and opening them up as fields for popular initiative and enterprise. A review of local self-government institutions as a whole reveals the prevalence of certain general tendencies. The enhanced powers of local legislatures in these organisations is reflected in increased activity in the organisations themselves. The non-co-operation movement hampered progress in local bodies to a great extent, but as Mr. Gandhi's ban did not extend to them non-co-operators became members in many places. Here and there the non-co-operation members subordinated their political views to their municipal or boards duties, but in other places, notably in Bihar and Orissa, they carried their politics into the municipalities and district boards. Keen interest is taken in municipal elections in many parts of India, and Municipalities contain a gratifying proportion of well-intentioned, zealous, and energetic members. But the new and necessary relations between Municipal Commissioners and the electorate has one disadvantage. As the former look to the latter for election, they often show a tendency to shirk measures which though excellent in themselves might prove unpopular, particularly when they entail expense.

District Boards too focus a good deal of interest. Land owners and men of property find in them a natural field of public service and elections for these bodies are now more lively, and on the whole members take their responsibilities more seriously and work better than they did in the past. There are, however, some notable and unhappy exceptions.

Both Municipal and District Board activities were handicapped not a little by the financial stringency of the early years of the Reforms. In addition to the shortness of funds and the general high level of prices, they were called upon, with the withdrawal of official control, to meet extra expenditure on services which used formerly to be rendered gratis by Government servants belonging to other spheres. They naturally endeavoured to economise, but their efforts only led to a lowering of efficiency. Moreover, in the first flush of enthusiasm, they had devoted their energies mainly to ambitious

and costly schemes of education and medical relief and soon found themselves in such difficulties as to be obliged to apply to Government for financial assistance. But this assistance was not forthcoming owing to the depletion of the official exchequer; and as a result, many local bodies fell into debt. The situation was met by the imposition of fresh taxation and the rigorous curtailment of superfluous activities. It was also relieved by a more thoughtful and cautious apportionment of the funds available than had hitherto been adopted.

Unfortunately communal tension, especially in parts of Northern India, has continued to mar the smooth and efficient working of these institutions and party and personal feuds are also prevalent in some places. Situations of this kind naturally tend to detract from the material and educative utility of these bodies. But it is gratifying to note that a number of rate-payers Associations have sprung up, particularly in Northern India, with the object of exercising a restraining influence on the less responsible and public-spirited members of Municipalities and District Boards.

During the year under review practically every provincial legislative council has undertaken important measures of local self-government legislation. In Madras, Bills to amend the Madras Village Courts (Amendment) Act of 1919 and the Madras Local Boards Act of 1920 have been passed into law. The first named Bill was introduced with the object of providing for nominations to be made by the provincial government to village panchayat courts of members from the depressed classes, whilst the second Bill was designed to throw open all streets and markets vested in local boards to persons of all castes and creeds. An important Bill to introduce certain changes which experience has suggested to be necessary in the Madras District Municipalities Act was published before introduction early in 1927. In Bombay, the legislative council have passed into law Bills to improve the administration of the Bombay City and Bombay District Municipalities. In the United Provinces, the Legislative Council passed two Bills to amend the United Provinces Municipalities Act. In Bihar and Orissa, a Bill was introduced to amend the provincial local self-government Act. Experience in that province has shown that the system of having an elected President at all municipal meetings which was introduced for the first time in the Bihar and Orissa Municipal Act of 1922 has worked satisfactorily and the Bill referred to here introduces a similar sys-

tem for district and local boards also. In Assam an important measure, called the Assam Local Self-government (Amendment) Act, has become law during the year. Its main object is to modernise the constitution and administration of local boards, and it provides, among other things, that the chairmen of local boards shall normally be elected by the boards themselves and it also increases the elective element in the latter. Further, it provides for the taxation of vehicles using the roads and for the erection of toll bars on pucca or metalled roads, empowers the boards to levy taxation on an extended scale and increases their authority to deal with infectious and contageous diseases. Many provisions of the existing law have also been modernized and official and external control has been reduced to the lowest possible extent. Another important measure has passed into law during the year under the title of the Assam Rural Self-Government Act. This Act provides machinery which will enable villagers to undertake as far as possible the management of their own affairs and to develop a capacity for self help. It aims at the creation of "Village Authorities" elected by the villagers themselves for the execution of certain easy and simple duties including those connected with water-supply, roads, drains, jungle clearing, medical relief and sanitation. If the experiment proves successful, it is intended ultimately to transfer more important duties to the "Village Authorities". A general Village Development Fund as well as separate village funds for each village are to be established and "Village Authorities" have been empowered to raise money for executing any specific work of public utility, though no power of general taxation has been conferred on them.

We may now glance quickly at the work of local self-government in the different provinces during the year 1925-26, *i.e.*, the last year for which the provincial reports are available.

In Madras, the administration of both municipalities and local boards seems on the whole to have been satisfactory. The number of local boards increased during the year as also did the number of their elected and non-official presidents. One hundred and sixty-nine secondary schools with over 34,000 pupils and 12,705 elementary schools with over 700,000 pupils were maintained by the local boards at a net cost to them of 22 lakhs of rupees, out of a total cost of 88·8 lakhs, the balance being provided by the provincial government or by fees and other receipts. The local boards maintain 109 hospitals and 513 dispensaries, at which over 22,000 in-patients and

nearly 6 million out-patients receive treatment. In addition to the above measures of medical relief, 508 vaccinators were employed by the boards and they performed over $1\frac{1}{4}$ million inoculations against small pox, this number working out to approximately 34 per thousand of the population. The municipalities in the province increased their expenditure during the year on water-supply and drainage schemes and also on medical relief and education, both secondary and elementary.

In Bombay, both municipalities and local boards are reported to be working on the whole in a not unsatisfactory manner. Some of the municipalities have recently taken to raising loans in the open market for sanitary and other improvement schemes and the net income of municipalities generally in the province seems to be on the increase. Every local board in the Bombay Presidency is now presided over by elected Presidents.

In Assam, Municipalities managed during the year to raise the average incidence of taxation by about five annas per head and they spent increased sums on public works and sanitation schemes. The local boards increased their expenditure on medical aid and sanitation and they and their doctors continued their co-operation and took a lively interest in the campaign against Kala Azar. We have already seen that a recent amendment to the Local Self-Government Act will empower boards to impose license fees on vehicles using their roads and to levy special tolls on certain metalled roads. It is evident, however, that the income from these fees and tolls will not be sufficient to enable the boards to bring their main communications into line with modern requirements and the Assam Government have, therefore, undertaken a programme of construction of metalled roads through their Public Works Departments. It is intended, where local board roads are to be metalled under this scheme, to hand them over ultimately to the boards with suitable maintenance grants.

Last year's report showed the presence of certain disturbing elements in the administration of local self-government in Bihar and Orissa, the most serious of which was its subordination to the factions and jealousies of rival political parties. It is difficult to see that any improvement has taken place during 1926 in this respect. The local boards certainly display keen interest in education, sanitation, and medical relief, but many of them are apt to neglect communications and to use their machinery for political purposes. The attitude of some of the district boards towards the legitimate author-

ity and interference of the provincial government is reported to be defiant. The condition of the municipalities in the province seems to be, if anything, worse than that of the local boards, as the following extract from the provincial administrative report for 1926 will show:—

"Municipal administration in the province with a few exceptions is in a deplorable condition. Apathy, neglect and faction have brought the majority of towns into discredit. Patna City is one of the worst. Bad administration caused such discontent among the ratepayers that an agitation was set up for the separation of Bankipore from the eastern area, but when an election took place only from seven to twenty per cent. of the voters recorded their votes in the wards. The Patna City Improvement Trust which was formed by Government with a substantial grant, having mismanaged its affairs for several years, was wound up and its properties made over to the control of the Collector. The main roads have fallen into such a state that as an act of grace Government have taken over five of them, while the condition of the drains is so bad that the Director of Public Health has been ordered to prepare a scheme to improve the main outfalls. Meanwhile, the municipal commissioners maintain a complacent attitude and consider there is no need for extra taxation. Darbhanga, the second largest town, is in a state of chaos owing to neglect and peculation. The ordinary measures of conservancy and sanitation have not been taken, with the result that plague and malaria are rife in the town. Monghyr, another large town, and Motihari, a smaller district headquarters, were little better, while many of the smaller and remote municipalities are in a pitiable condition. Fortunately there are a few bright spots which show that there is nothing inherent in the law, the people or the financial limitations under which these bodies work, which must lead necessarily to these scandals. Gaya, which a few years ago was in the slough of despond, owing to the energy and resource of its chairman is now reorganised, with a satisfactory water supply and sanitary system, good roads and the early prospect of an excellent market and electrification. Chapra, with an equally good chairman, has also made substantial progress, and there seems no reason why other towns should not follow these examples. To assist rehabilitation Government has decided to advance loans to help municipalities to meet the capital cost of large works of public utility, when funds are available, at the low rate of four per cent."

The same official report shows that there is plenty of room for improvement in the management of the finances of both the local boards and the municipalities in the province.

From Bengal no marked improvement in the administration of municipalities is reported during the year 1925-26. The percentage of rate-payers to the total population was 15·8, whilst the percentage of collections fell from 95·3 per cent. during 1924-25 to 94·3 per cent. In one municipality the percentage was as low as 69·1 per cent, due, it is reported, to party faction and defective supervision on the part of the municipal executive. In some places the municipal commissioners themselves were the worst defaulters and prominent features in several municipalities are reported to be due to excessive party faction, bad collection, unwillingness to adopt stringent measures for fear of incurring unpopularity, and readiness for the same reason to remit taxes. Another characteristic of municipal administration in Bengal is a marked indifference to the audit of municipal accounts. This indifference has resulted in frequent embezzlements of municipal money. Municipal incomes, are however, rising on the whole and there appear to be increased readiness to find the money required for local improvements. Other encouraging features are to be found in the good administration of some of the mill towns and the zeal and public spirit shown in some of the smaller municipalities of a semi-rural type. Also distinct progress has been made in the improvement of roads, sanitation and water supply, and some municipalities have tackled the problem of primary education in commendable fashion.

Except in Midnapur where there was reckless spending all round, the administration of district boards by their non-official chairman, continued on the whole to be satisfactory. As in the previous year, most of the chairmen and *vice*-chairmen did their best to discharge the responsibilities imposed on them even at the sacrifice of their private interests. Special attention was given to medical relief and public health, and the attempts to combat Kala Azar were particularly noteworthy. The expenditure on public health during the year 1925-26 was greater by 2 lakhs than during the previous year. To balance this, however, expenditure on water supply and primary education was reduced—an indication that district boards can only make serious endeavours to tackle a particular problem by reducing the expenditure on other heads.

A noteworthy feature of the year was the progress made in the creation of new Union Boards, the number of which rose from 1,500 in 1924-25 to 2,217 during the year under review. In some places, however, opposition was encountered as Union Boards are still often looked upon merely as an engine of increased taxation. After the Union Boards had paid the charges for the upkeep of their establishments and the collection of their revenues, they were left with only 5 lakhs to spend on communications, medical aid, education, water supply and sanitation, and it is desirable that the scope of the Union Boards should be extended and that they should be given more generous help by grants-in-aid.

The development of local self-government in Bengal is faced by a very great difficulty in the shape of inadequate finances. Union Boards have the powers to raise by taxation whatever finances they require, but as district boards are not in this fortunate case, their present revenues barely suffice for their most elementary necessities and leave nothing for constructive work. If the work of the district boards is to progress, some method must be found of increasing their incomes either by raising the statutory limit at present imposed on the rate of road and public works cess, or by substituting some form of local taxation which will apply to agriculturists as well as to non-agriculturists and will take the property and circumstances of individuals rather than the annual value on lands as the basis of assessments. The average incidence of cess is at present less than three annas a year per head and it will hardly be denied that there is some scope for increase in local taxation.

The work of district boards in the United Provinces suffers from the same financial stringency as in Bengal, but the possibilities of increasing local taxation here seem to be less than in the latter province. In about 30 out of 48 existing boards recurring expenditure exceeds the recurring income, and it seems likely that even if additional local taxation is imposed to the highest level possible additional revenues so obtained will suffice only to maintain the existing system of administration. The provincial administration report complains that although the members of district boards in the United Provinces are drawn from the most public spirited men of their constituencies, these tend to concern themselves more with minor questions of administrative detail rather than with the broader aspects of their work. A hopeful sign, however, is that public interest in district board affairs is beginning to awake and when interest has

been fully aroused, the boards will, no doubt, be able more fully to discharge their responsibilities.

Upon the whole the condition of municipalities of the province is hopeful. Their financial position is improving and has been improving for some time and expenditure has increased under every head except that of water supply. Roads and drainage alone were allotted nearly 6 lakhs of rupees more than in the year 1924-25. Collections also improved, although outstanding balances are still heavy in the larger municipalities. The administration of public services in the latter continued to improve. Electric lighting has been introduced into a number of towns, and eight other towns have electric supply schemes in various stages of development, most of which will be operated by private companies. The number of towns with a municipal water supply continues to increase and the municipal boards are beginning to realise that water supply can be a paying proposition. Further, with only a few exceptions, municipalities are making strenuous efforts to improve their roads. Lucknow, for example has a complete programme for the construction of bitumen bound roads and Agra has applied for funds for the construction of similar roads there.

It is satisfactory to note the increased attention paid to maternity and child welfare. In 51 towns there are hospitals giving instructions in midwifery and 38 cities held baby weeks. Infantile mortality generally decreased, notably in Cawnpore, where, however, the rate is still very high owing to the insanitary conditions of the industrial quarters.

The internal work of the boards continues to be hampered by communal bias and party faction. Nepotism is not uncommon and boards are loth to use to the full the powers given to them for the enforcement of bye-laws, the collection of dues, and the punishment of their subordinates. In no less than 36 municipalities, including almost all the important boards, the conditions of the accounts, especially of those connected with water supply, public works and advances, was unsatisfactory. Embezzlements increased owing to the inadequate supervision and failure to enforce compliance with the rules. These facts indicate that though the boards are making good progress in many directions there is still much room for improvement in others.

Opinions on the value of the village panchayats are diverse. In some districts panchayats are condemned as an anachronism of little practical use, while in others, efforts are being made to establish one in every village. On some points, however, there is general agreement. The object of the Village Panchayat Act was to revive the old village council for the settlement of village disputes. The figures show that a large number of cases are being decided by the panchayats. But at the same time the ordinary criminal and civil litigation continues to increase, and it is a question whether, by affording more facilities for petty litigation, the Act has not contributed to the growth of an evil which it was intended to check. On the other hand there is reason to believe that by providing the village money-lender with an inexpensive means of recovering his dues and so increasing his sense of security, panchayats are having the effect of reducing the local rates of interest. The chief difficulty is that of finding *panches* who command the respect of their fellows. Faction and intrigue make many panchayats incapable of useful work, but where care is exercised in the selection of the *panches* very satisfactory results have been achieved.

It is in administration that the chief utility of the panchayats must be sought. They have done much in matters connected with petty village improvements and can do more still to further the causes of sanitation and co-operative credit. But they need encouragement and although there are some who admit the comparative failure of panchayats and attribute it to the fact that the official hand is too much in evidence both in the appointment of *panches* and in their supervision, there is little doubt that the success or failure of the movement varies directly with the interest or indifference of the district staff.

The process of weeding out unsatisfactory panchayats in the United Provinces has been practically completed and the total number of panchayats in 1925-26 rose to 3,948 while the population affected by them increased by two and a half millions to eight millions.

In last year's report reference was made to the reconstitution of municipalities and district councils of the Central Provinces under the Municipalities Act, 1922 and the Local Self-government Act of 1920 respectively. During the year 1925-26 this reconstitution was completed and all municipalities and district councils are now con-

stituted under the new Acts. The elective principle has been introduced into all municipalities with the one exception of the provincial hill station Pachmari, whose circumstances are peculiar. Four new municipalities were created during the year bringing the number in the province up to 65. The elections held during the year were keenly contested and the interest displayed by the electors was encouraging. It is a hopeful sign that politics have ceased to dominate the elections to and administration of, these local bodies to the same extent that they did in recent years. The attendance in almost all local bodies showed an appreciable improvement and the number of abortive and adjourned meetings decreased. The relations between local bodies and Government servants continued to be cordial. There has, however, been no improvement in the collection of municipal taxes, which has suffered from want of method and energy, delay in the preparation of assessment lists and lack of proper supervision over tax collectors. Most of the municipalities show great reluctance in issuing coercive processes against defaulters, whilst the district councils do not appear to have made use of their increased powers of taxation except in the matter of public markets. The accounts of local bodies do not show any improvement and the number of financial irregularities disclosed by the report of the examiner of local fund accounts seems to be increasing from year to year. During the year under review the total expenditure of all local bodies, both municipalities and local boards, increased owing to additional outlay by the district councils on education and public works and by Municipalities on water supply schemes. It is satisfactory to notice that the importance of a good water supply to the future development of towns is being increasingly realised by the municipalities.

In the Punjab, the improved condition of provincial finances enabled the provincial Government to place large funds at the disposal of district boards, and the interest of members was thus largely stimulated in measures of development. Education continued to attract greater attention than any other service, but Government grants enabled boards to make better provision for medical relief and for roads. Not much progress was made with the attempt to establish smaller local self-government institutions in rural areas by means of panchayats, the number of which remained practically stationary, and though a considerable number of petty civil and criminal cases were disposed of, practically no use was made by

panchayats of their powers for improving sanitary conditions and generally increasing the amenities of village life. In urban areas communal rivalries had an unfortunate effect on the administration, and the report of the Local Audit Department revealed the continuance of a very unsatisfactory state of affairs in respect of many sides of municipal government. In small towns little was done to improve conditions: committees were slow to impose taxation and loth to enforce its collection when imposed, with the result that large arrears were outstanding at the end of the year.

The brief sketch contained in Chapter III of the conditions under which so many of India's millions live will enable the reader by inference to understand something of the formidable character of the problems which face the Ministers who are responsible for the public health of their provinces. The distribution of the population of India, general poverty and backwardness in education make it inevitable that all improvement in sanitary conditions should be almost entirely the work of the state. Climatic and other natural conditions render the people of India prone to many devastating epidemic or contagious diseases which have been stamped out in more fortunate countries. Certain diseases like malaria, hookworm, and kala azar are endemic in many parts of the country and although these are all preventable their prevention requires an amount of labour, financial expenditure and determination which, in existing circumstances, can hardly be looked for from the people themselves. Municipalities and other units of local self-government are taking an increasing share in this work not only by providing medical relief but also by undertaking schemes for water supply and by instructing children and parents in elementary notions of hygiene. But in addition to adverse natural conditions, social religious customs, and superstition place obstacles in the way of the sanitary reformer. As we so often find in other matters, what in the west is one problem tends in India to become a number of inextricably interwoven problems each one having its roots deep in traditional usage or religion. Progress therefore in this country is necessarily slow and made against greater obstacles and with greater expenditure of money and labour than elsewhere. Yet in spite of all these things it cannot be contested that conditions of public health improve in India if not from year to year, at any rate from decade to decade. Since the regular census in this country was started half a century ago, the population has grown steadily. The

greater part of this growth is no doubt due to the internal and external security and the freedom from famine which followed the establishment of British rule, but some credit is due to the spread of medical facilities and the strengthening of the organisations which deal with epidemics of plague, malaria and other destructive diseases. In the past, every important fair or other crowded gathering was a likely source of disease and death to many thousands, but now-a-days medical arrangements either prevent outbreaks of disease on these occasions or immensely minimise their effects when they cannot be prevented. The number of hospitals, dispensaries and trained medical practitioners grows yearly and the gap between the demand and the supply of medical facilities in India continually narrows. Every housing, water, and other sanitary scheme undertaken by a municipality or other body is a valuable contribution to the cause of public health and sanitation and such schemes show a regular increase in number. Much is hoped for from the education of the rising generation, particularly the girls, in elementary rules of hygiene.

The latest vital statistics of British India relate to the year 1925 and from them it appears that India was fortunate in experiencing an unusually healthy year since 1922. All provinces contributed to the improvement of the general healthiness of the country.

There was a very appreciable fall in Bombay in the deaths from cholera. In 1924 cholera was responsible for 8,236 deaths in that province but in 1925 the number fell to the strikingly low figure of 57—by far the lowest recorded during the last half century. The other provinces also showed a drop in the deaths from cholera.

An examination of the statistical returns discloses the fact that cholera epidemics tend to be most virulent about every six to eight years. This being so, the Public Health staffs of the various provinces are now enabled to be more on the alert during the dangerous years and to adopt preventive measures, which mitigate to a great extent the devastating effects of this disease. Serious enough as the epidemic proved to be during the year it would have been far worse but for the strenuous efforts made to combat it.

Bombay showed a fall in the number of deaths from small-pox also but the other provinces were not so fortunate. In Bengal and the United Provinces the number of deaths from small-pox during 1925 was in each province more than three times what it was in

1924: indeed in the United Provinces the number of deaths from this disease increased to 12,020 in 1926 (the latest figure available) as compared with 9,373 in 1925 and 2,724 in 1924. In Bihar and Orissa too the number of deaths from small-pox doubled. Like cholera, small-pox epidemics recur in cycles of years, a cycle being completed in from 5 to 6 years. Here again the Health staffs were very well prepared and there is no doubt that but for their efforts the number of deaths would have been considerably higher than they were.

There was also a very satisfactory falling off in the number of deaths from Plague in 1925 in all provinces except Bombay. In this province while the number of deaths from cholera and small-pox fell, those due to plague rose to 12,601 in 1925 from 9,214 in 1924. In Bengal the number was only 9, as compared with 35 in 1924, and in Madras it fell by 50 per cent.

It would be interesting to know the number of deaths from year to year from Malaria, Kala-azar, and, perhaps, also Beri beri. But these figures are not available for India as a whole; they are merged with the general head "fevers". In Bengal, however, where the figures for malaria and Kala-azar are separately stated, they show that the ravages from Kala-Azar are still on the upward trend, for they rose to 16,766 in 1925 as against 9·997 in 1924 and only 1,552 in 1921. Of course, the increase in figures is certainly due, to a great extent, to better registration and more careful diagnosis but it is also more than probable that the actual mortality from the disease was much more than that recorded.

The deaths in Bengal from malaria numbered about 500,000 and was 66 per cent. of the total mortality. Though owing to mistaken diagnosis many deaths from other febrile diseases must have been included in them, it is unquestionable that malaria still remains the greatest scourge of that province.

The healthiness of the year under review may be largely attributed to the work of the Health Departments which were well prepared to meet epidemics by taking precautionary measures, to the various Health Organisations, which are devoting themselves to impressing upon the common folk in rural areas where the death rate is higher than in towns, the need for cleaner and more hygienic methods of living, and lastly to improvements in sanitation and purer water and food.

Turning now from this general discussion to a more detailed examination of the achievements of the provincial departments, we may note that in Madras the Public Health Department was able during the year 1925-26 to continue its normal expansion and much was done in the direction of educating the public in health matters and in endeavouring to inculcate some sense of responsibility in personal hygiene. The Madras Health Council continued its propaganda work. A cinema film on malaria was exhibited at several centres and the Health and Baby Week of 1926 was celebrated with considerable success in over 6,000 places. The number of municipalities employing Health Officers increased, and additional Health Inspectors were appointed for rural areas. A scheme for the training of midwives, the key to a vast improvement in the lot of women and children in this country was sanctioned with a view to enabling the women trained to settle in rural areas after the training. Additional concessions were offered in order to render the nursing service more attractive and the Madras Nurses and Midwives Act was passed by the Legislative Council, to be brought into force as soon as the necessary rules have been framed. A voluntary scheme for the medical inspection of schools was exploited to the fullest extent and compulsory medical examinations of all pupils studying in recognised schools is regarded as desirable by the Government of Madras. Throughout the year, the fight was continued against malaria, cholera and hookworm, and much valuable educative and preventive work was accomplished.

In Bombay the year 1925 marked the close of a triennium which has been a very important one in the history of hospital organisation and medical education in the Presidency. As a result of constant representations by the General Medical Council of Great Britain, the defects in medical education have been largely removed and adequate training facilities in the different branches of medicine have been provided. In Bombay city it was decided that a combined effort should be made by the provincial Government and the Municipality on the one hand, and the public on the other, to organise a definite scheme of hospital expansion. An eventual expansion of 2,000 beds is aimed at in the City of Bombay, but in view of the existing financial conditions it will only be possible to attempt in the immediate future to set up about 850 beds. The appeal to the public has enabled funds to be raised in more than sufficient amount to finance the first year's programme. As regards medical expan-

sion outside Bombay City, despite financial difficulties, the Government of Bombay have made provision for the construction of laboratories at Poona and Ahmedabad, and very extensive additions and alterations to the civil hospitals associated with the schools. They have also been taking steps to extend the existing facilities for special subjects and services.

In order to improve the nursing service the provincial Governments are considering the engagement of a literate class of ward attendants to do duty where trained nurses were not available. A village aid scheme is making satisfactory progress and 30 village school-masters, who have received a course of training in first aid and the treatment of simple ailments, are now established in villages with 1,000 to 1,500 inhabitants. A proposal to subsidize private practitioners to induce them to settle in the districts was also considered during the year, but could not come to fruition for want of funds. With the exception of 1922, 1926 was the healthiest year since 1887 in Bombay. A fall in the actual number of deaths occurred under practically all the separate major headings of causes of death. As compared with the preceding year "intestinal diseases" showed a reduction of 29 per cent., "fevers" 15 per cent, "other causes" 12 per cent. and "respiratory diseases" 9 per cent, while the chief epidemics—cholera, small-pox, plague, influenza combined showed a reduction of 37 per cent. Only plague showed a slight increase and but for this, the total death rate would have been lower even than in 1922. The most noticeable feature of the year was the almost complete absence of cholera, only 57 deaths having occurred throughout the presidency.

Owing to more favourable economic conditions in Bengal there was an improvement in the condition of public health in 1925. Following upon the favourable health and economic conditions of 1925, the births recorded during the first nine months of 1926, showed a considerable increase. Though the infantile mortality increased in 1926 the general mortality of the province fell. There was a greater prevalence of kala-azar and more widespread epidemics of cholera and small-pox. The death rate from small-pox in 1925 showed an increase of 233·3 per cent. over the figure of the previous year and of 17·6 over the decennial mean, and continued unabated in 1926. The mortality, however, was little more than half of what it was in the previous outbreak—a result which is undoubtedly due in large measure to the strenuous efforts to improve the organisation

for vaccination and inoculation and the number of operations performed. The trend of cholera mortality during recent years has been markedly downward but in 1926 the disease raged strongly and the province was exposed to the worst epidemic experienced since 1919. Serious as it was, there is no doubt that it would have been far worse but for the strenuous efforts that were made to combat it. In 1926, about a quarter of a million c.cs. of cholera vaccine was issued to local authorities for use in rural areas. Large amounts of bleaching powder for chlorinating infected water-supply and other disinfectants for houses were also made available. In 1925 there were as many as 16,766 deaths from kala-azar, though the recorded increase was due to a large extent to a better registration and more careful diagnosis. It is also probable that the actual mortality from the disease was much more than was recorded. About 500,000 deaths were reported in 1925 as due to malaria these forming 56·9 per cent. of the total fever mortality. Though many deaths from other febrile diseases must have been included in them, it is unquestionable that malaria still remains by far the greatest scourge of the province. Another serious aspect of the public health was the appalling death rate of infants. In 1925, the death rate was 181·2 per thousand births, the largest proportion of deaths being recorded in Calcutta. "Baby Week" is, however, firmly established in the province and is every year attracting increased interest and support. During 1926, special child welfare and public health exhibitions were held at 30 different centres and the educational results of this propaganda were most encouraging.

The average expenditure on sanitation per head in municipalities outside Calcutta was Rs. 2-0-11 per head, about half of which was spent on conservancy, about one-fourth on water-supply and about one fourteenth on medical relief. The corresponding income of district boards was $4\frac{1}{2}$ annas per head, 8 pies a head of which were spent on medical relief, sanitation and vaccination.

In the United Provinces, the control of epidemic diseases, the prevention and spread of infectious diseases and research work on plague and malaria occupied the Public Health Department during 1925 and 1926. In 1925 a special branch was established for dealing with malaria. Nearly all medical officers of health were trained in anti-malarial measures, and district health officers made a number of village surveys. Quinine was supplied for free distribu-

tion and the provincial government sanctioned 1 lakh of rupees for anti-malarial work in rural areas during 1926-27. The special staff deputed for plague duty in 1925 carried out research work throughout 1926. The Indian Research Fund Association sanctioned two grants of Rs. 20,000 each for plague and cholera research. The number of inoculations against plague continued to rise and public opposition to anti-plague measures is beginning to disappear. The past apathy of district boards towards vaccination is reflected in the continued increase in the number of deaths from small-pox. Nevertheless, nearly 1½ million persons were vaccinated in 1925-26 and the provincial lymph depôt at Patwa Dangar issued lymph sufficient to vaccinate a million more. The principal fairs of the province were supervised by the Public Health Department and neither in 1925 nor in 1926 were they the focus of any serious outbreak of epidemic disease. The number of districts which have adopted the district health scheme rose to 17 during 1926 and others are waiting for the necessary funds.

The engineering section of the Public Health Department was chiefly occupied with the problems of municipal water supply and drainage. Improvements to the water supply at Agra, Allahabad, Cawnpore, Fyzabad, Hardwar, Mussoorie and Dehra Dun were completed or were under construction during 1926. A sewage disposal scheme at Muttra and a flushing scheme at Moradabad were also completed. Proposals for sewerage and sewage at Allahabad, Benares, Cawnpore, Lucknow and Naini Tal were under consideration. The temporary water supply for pilgrims to the Magh fair at Allahabad was successfully maintained. At the end of 1926, the Department had works to the value of Rs. 32 lakhs under construction in addition to works estimated at Rs. 20 lakhs which were being carried out by local bodies under the supervision of the Department. Projects to the value of Rs. 102 lakhs were completed or were being prepared during the year. The Board of Public Health made grants of over Rs. 11 lakhs and sanctioned loans of nearly 13 lakhs during 1926.

The campaign against leprosy and tuberculosis was continued. The accommodation at the King Edward Sanatorium at Bhowali was enlarged to 80 beds in 1925 and the provincial Government sanctioned a scheme for the establishment of tuberculosis dispensaries in the plains for the treatment of the disease in its early

stage, five such dispensaries being opened in 1926. A provincial committee was appointed to administer the fund for the leprosy campaign and the British Empire Leprosy Relief Association gave a grant-in-aid of leper hospitals in the province. To meet the needs of the rural population subsidies were given to private practitioners, who agreed to settle in rural areas, but in 1926 only 30 such practitioners accepted the subsidy. Subsidies were also given to local boards towards the maintenance of ten new dispensaries.

The number of maternity and child welfare centres increased by 22. The strength of the appeal made by this movement is reflected in the readiness with which subscriptions are forthcoming. In 1926, 22 probationary midwives out of 23 candidates passed the Dai and midwives examination. Again, the importance of training in midwifery must be emphasised, for, until the existing supply of trained women is vastly magnified, preventable female and infantile mortality will remain deplorably high. During 1926, the death rate of infants rose from 175·5 per thousand to 179 in the United Provinces.

In the Punjab the year 1925 was moderately healthy. The distribution of the rainfall was unfavourable both to plague and to cholera and the death rate was less than the average of the previous quinquennium and very much less than it had been in the previous year. Cholera appeared in epidemic form of moderate severity, and the mortality from small-pox was considerably higher than the quinquennial average. The year saw the inauguration of a comprehensive scheme for the expansion of medical relief. A five-year programme was drawn up providing for the construction and equipment of 375 new rural dispensaries of a simple standard plan, funds for construction and equipment and also for maintenance being placed at the disposal of district boards by the Punjab Government. The scheme also contemplated the provincialisation of one hospital in each Tahsil. Nearly 6 million patients were treated at the various medical institutions of the province and about 295,000 operations were performed, of which 21,000 were for cataract.

On the basis of the figures for the first eleven months, the provincial death rate in Bihar and Orissa for 1926 worked out to 25·7 per mille as against 23·7 in the previous year, which was exceptionally healthy. The improvement in the public health of this province which has undoubtedly taken place of late years is due to the

energetic measures taken by the provincial Government against epidemic diseases and particularly against cholera, which has to some extent been brought under control. The most remarkable proof of this is provided by the history of an outbreak of cholera which occurred during the Rathjatra festival at Puri. Cases of cholera when Puri is crowded with pilgrims have always resulted in heavy mortality, for travellers returning to their homes carry the infection far and wide throughout India. This year, however, owing to vigorous sanitary precautions, few deaths occurred, and no instance was recorded of a second person's contracting the disease at the same lodging house. A public health cadre has now been constituted which means that there will be of regular medical officers in permanent employ, a circumstance which cannot but strengthen the defence against epidemics.

The engineering staff had to be increased and was mainly engaged on the water supply and sanitary installations on the extension of the Patna Bankipore water supply. During the year under review progress was also made with the improvement of supplies of drinking water in both urban and rural areas. In 1925-26 grants of about 4 lakhs of rupees were made for this purpose and district boards have been called on to prepare regular programmes. Large grants have also been made for the building and maintenance of dispensaries in rural areas.

With a medical college and two medical schools the province was in a position to train most of its own doctors. Facilities for treatment of all kinds are being rapidly extended. The Indian Mental Hospital at Kanke was ready for occupation at the end of 1925, and all the patients from Patna, Berhampur and Dacca were transferred there in January 1926. The Radium Institute continues to attract patients from all over India. Buildings for a child welfare centre are being constructed at Patna and funds for the establishment of a sanatorium for sufferers from phthisis at Itki have been voted by the provincial Legislative Council. Existing hospitals are being improved, notable instances of this process being the provision of an independent water supply and modern apparatus for the X-Ray Department of the Patna General Hospital, the extension of the Cuttack General Hospital, the completion of the maternity ward at the Puri Pilgrim Hospital, and the addition of a female ward to the Purnea hospital.

In the Central Provinces, the year 1926 was generally unhealthy, partly on account of epidemics of cholera and plague, and partly because of the unprecedented floods which occurred in the month of September along the Narbudda Valley. The annual birth and death rates were 46·03 and 34·33 per mille as compared with 43·90 and 27·27 in 1925. Infant mortality rose to 253·38 per thousand births, this being the highest figure recorded since 1921. More than ever the need for maternity and child welfare work is being recognised and during the year a special welfare committee of the Red Cross Committee was constituted to organise and extend maternity and child welfare work towards which the local Government made a grant of Rs. 20,000. Up to the end of 1926 three welfare centres in Berar, and ten in the Central Provinces had been established. Interest in this movement has been stimulated greatly throughout the province and Baby week celebrations were organised in a number of towns. The development and improvement of the existing Dufferin Fund Hospital in the province and the progress made with new ones at Chhindwara and Khandwa are further signs of progress in this direction.

The provincial birth rate for the year 1925 in Assam was 29·08 per mille as compared with 31·04 for 1924 and a quinquennial average of 29·16. The death rate was 22·52 as compared with 27·30 in 1924 and 25·95 the quinquennial average being lower than the death rate in any other province except Burma and the North Western Frontier Province. The fall in the death rate was due partly to the intensive treatment of *kala-azar* and partly to generally improved health conditions. Infant mortality decreased from 184·75 per mille in 1924 to 174·35 in 1925. There were 237 hospitals and dispensaries in the province against 230 in 1924. Of these 134 were maintained by local bodies and 80 by the Assam Government, 42 of the latter being public institutions and 38 special dispensaries.

The number of *kala-azar* cases treated during the year was 60,940 against 48,770 in 1924, whilst 6,365 and 5,585 deaths from the disease were recorded in the two years previously. There was a fall of over 15,000 in the deaths recorded under " fevers," which probably included a considerable number of *kala-azar* as well as of malaria cases. A new drug, urea stibamine, which considerably shortens the period of treatment was introduced for a proportion of *kala-azar cases*. The drug is expensive, but as its efficacy has

DIAGRAM.

Totals of Literates and Illiterates : British India.

LITERATES
18·6 Million
[each square represents 1,000,000]

ILLITERATES
229 Million

been proved, its wider use in the treatment of this disease has been approved. There were 6,233 deaths from cholera against 19,182 in 1924. During the year two epidemic units were formed for dealing with epidemics and were found to be of the greatest value more especially in combating cholera. Proposals for increasing their number are under consideration.

Public Health Propaganda work was initiated both in schools and among the general public. Illustrated pamphlets on *kala-azar*, cholera, small-pox and malaria were distributed, and magic lanterns and sets of slides were obtained to instruct the public on the subject of these diseases.

Few will be found to deny that lack of education especially among the masses, is one of the main roots of India's ills—social, economic and political. Her comparative backwardness in nearly every sphere of human activity is traceable to this ultimate cause. On the eradication of this defect depends alike the economic uplift of her people, and the full and intelligent realisation of those ideals of nationhood and self-government so long and fervently cherished by her political leaders.

Though education has made marked and rapid progress in recent times, it still lags far behind the requirements of the country. In 1921, out of a total population of 247 millions in British India, only 22·6 millions were literate. Of this number 19·8 millions were males and 2·8 millions females. Corresponding statistics are not available for the period (1926) now under review, but others tell their own tale. During that year 10·51 millions of pupils or 4·25 per cent. of the total population were undergoing instruction of some kind, 7·8 millions in primary schools, 1·72 millions in secondary schools, ·29 millions in special schools, ·08 millions in universities, and ·62 millions in unrecognised institutions. These figures are bad enough; but when it is remembered that very few primary pupils proceed to the secondary stage and that those who do not have practically no opportunity for increasing or even preserving the little they have learnt in their few years at school and soon tend to lapse into illiteracy after leaving it, it must be evident that the amount of literacy among the common people is practically negligible.

But the situation among the middle classes is as encouraging as that among the poorer classes is discouraging. Secondary and

university education, are not only in a stronger position (as against 183,164 primary schools in 1926, there were 10,837 secondary schools and 303 colleges) but compare very favourably with countries much more advanced than India. The cause for this is not far to seek. Tradition and usage alike have kept the agriculturist to his plough and his cattle, while the middle classes have monopolised Government and clerical service and the legal profession. This has had its effect on the type of education imparted. The curriculum has generally been adapted to these needs rather than to those of the agricultural masses. Vocational education too has been almost neglected; and though in recent times advocated by many Indian educationalists for stages beyond the primary, experience has shown that there is as yet little real demand for it. Of the 87·6 thousands attending the universities and colleges in 1926, 70 thousand were in the Arts and Science Colleges and over 8 thousand were studying law. Only 9·5 thousand were engaged in the study of special subjects like medicine, engineering, commerce, and the profession of teaching; 641 were learning agriculture, and only 119 and 272 respectively were studying forestry and veterinary science. The overcrowding of those employments which educated Indians have hitherto favoured makes it imperative that the way for further employment be opened out by the spread of technical and vocational education.

It has already been stated that the greatest weakness of the present educational situation is the widespread illiteracy of the masses. It is here that the most urgent need for action lies, but the problem is rendered difficult by factors peculiar to the country. India is a land of vast spaces and her communications are still far in defect of her requirements. Immense numbers of her people are poor and ignorant, bound by iron tradition and age-old custom. Above all, the women teachers, who are the prime instrument of elementary education in all other civilised countries, are scarcely available for this work in India. Educated men drift inevitably from the countryside to the towns and the village schoolmaster is therefore isolated, too feeble a ray to dispel the surrounding gloom of ignorance unaided. But there is a glimmer of hope in the policy of encouraging medical men to settle down and open dispensaries in rural areas, for their presence ought to stimulate intellectual life in such places. Yet, in spite of these difficulties, steady pro-

DIAGRAM.

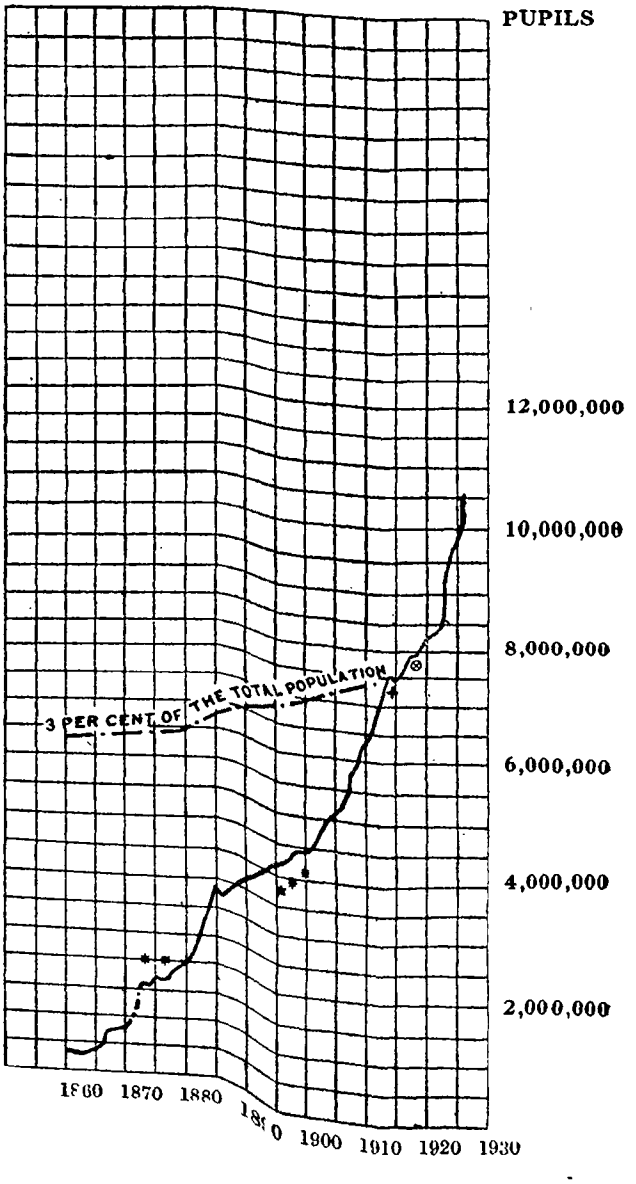
Total number of pupils under instruction in India.

Famine.....*

Commencement of Plague.....*

Influenza.....⊗

Indian States omitted.....+



gress is being made. It is gratifying to notice also that much attention is being given to the enlightenment of the masses in general, and to that of the backward classes and of women in particular. Compulsory education deserves special mention in this connection. It had begun to come slowly into favour, before the reforms and since their inception the need for it has been more generally recognised. The popular legislatures early declared themselves in favour of the principle, but the Municipalities and District Boards at first showed some hesitation in adopting it. They seemed both to identify themselves with any coercive measures or with the imposition of additional taxation which is necessary to meet the cost of compulsion but happily this attitude is gradually disappearing and to-day we find compulsory primary education spreading over an ever-increasing area. During the period under review no less than 7·8 million pupils, or 21·03 per cent. of the population of school-going age, were undergoing primary education. Progress is still hampered by the chronic poverty of the masses and their hereditary prejudice to such innovations, but Ministers are displaying more and more courage, enthusiasm and initiative in the matter. They are closely studying the problems involved and taking such steps as seem best fitted to solve them. In particular they are gradually eliminating the old, inefficient, one-teacher village school and are endeavouring to provide the children of the agricultural classes with instruction more suitable to their circumstances. The grant in aid system, too, is receiving attention. Side by side with these improvements is going on a process of decentralisation of control. Municipalities and local boards are being entrusted with more and more powers and functions, and many of these bodies are exercising their increased responsibilities with care and wisdom.

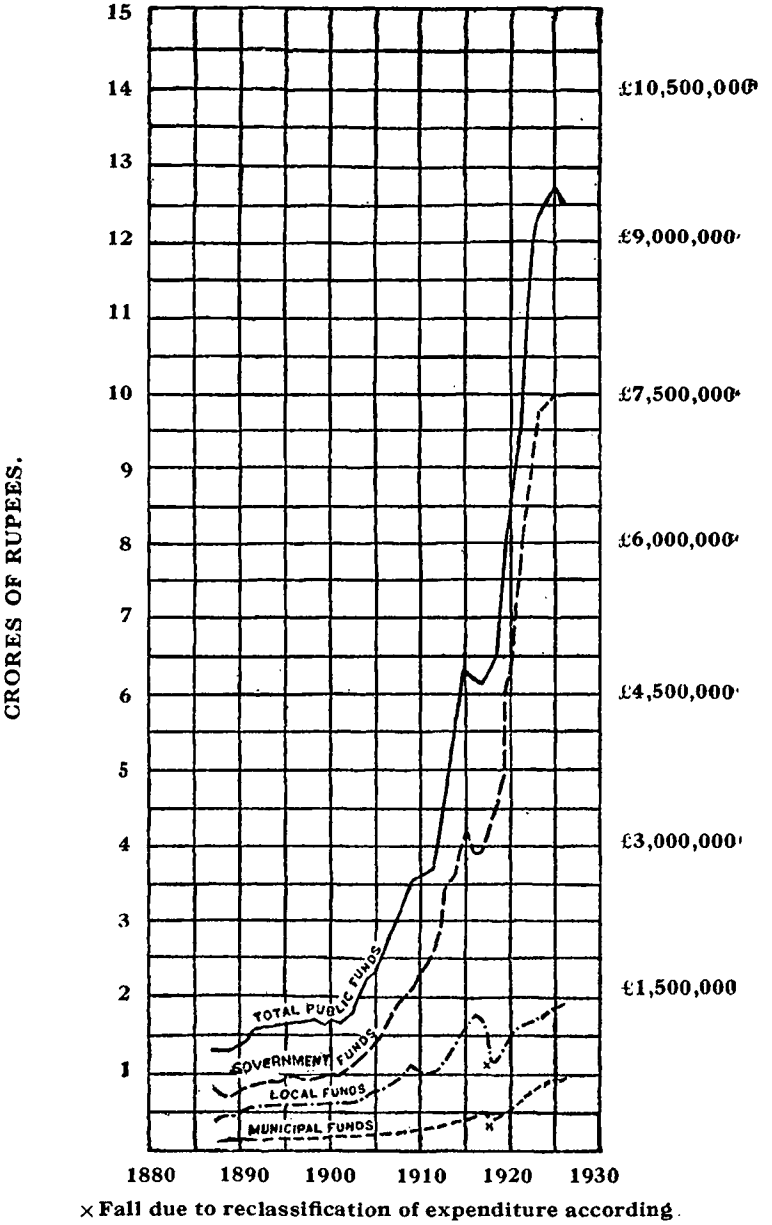
The higher branches of education share with the primary stages the progress which has taken place during recent years. There is a feeling abroad that however satisfactory may be the position of secondary and university education from the quantitative point of view, from the qualitative there is much to be desired. This is especially true of secondary education, which, generally speaking, as compared with Western standards is poor and in parts ill regulated. The methods of instruction are faulty; the staff takes little interest in its work and the ambition of the pupils is generally mercenary. Too slight attention is given to the moral, social and

physical sides of education; the intellectual side is everything. Little improvement is to be looked for so long as the demand for secondary education remains what it is, for efforts are likely to lead to nothing more than the mere multiplication of institutions of the present inefficient and ineffectual type. It seems to be recognised that the system of secondary education stands in need of some overhauling so as to bring it more into line with present-day requirements and aspirations. It is recognised, too, that since even at best only a small portion of India's vast population can hope to pass beyond the stage of secondary education, this education should be sound and complete in itself. There is hence a growing desire and an increasing endeavour to reconstruct it on these lines, secondary and university education being separated, each confined to its proper sphere and the former made self-contained. Boards of Secondary and Intermediate Education or Boards of Secondary Education have been constituted in certain provinces, and are doing valuable work, intermediate colleges have been established in some places and vocational training is becoming steadily more popular. This is satisfactory since, as already stated, unemployment among the middle classes is due largely to the purely literary type of the education hitherto imparted. During the year under review 1·72 millions of pupils were receiving secondary education as against 1·55 milions during the previous year.

Unlike primary and secondary education, university education is not under the entire control of local Governments—a few universities are directly under the Government of India, which continues to exercise certain powers in respect of these universities. Formerly, the great majority of Indian Universities were examining bodies, testing the attainments of the alumni of groups of individual and often scattered colleges, sometimes inadequately staffed and equipped, whose ambition usually outran their capacity. The old universities are one by one being remodelled so as to be both teaching and examining bodies and new ones are being set up. The desire to relegate preliminary work to the intermediate colleges and to confine the universities to higher instruction shows itself in some parts of India. Colleges too have been reorganised, new methods of administration adopted, new courses set up. The number of male scholars in colleges has risen to 86,177 and of female scholars to 1,412. Unfortunately, the establishment of new

DIAGRAM.

Public expenditure on Education.



× Fall due to reclassification of expenditure according to which Government contributions made to local bodies for education are included in expenditure from provincial funds.

colleges seems to be leading to an undesirable competition for students, and, consequently, a lowering of the standard of education. The inaguration of the central Inter-University Board might provide a safeguard against this danger and it is possible that the growing tendency to specialise in the teaching of particular subjects will in the end provide a way out.

The attack on illiteracy has not been confined to the formal educational institutions. Recognising that education in the true sense, is a life-long process and that adult education is a necessity if the country is to have an electorate able to understand and properly to use the suffrage that has been conferred upon it, Ministers have been turning their attention to this important problem. The urban population presents no difficulty, for the towns offer much scope for the university extension movement. The rural population, however, are in different case and to meet their wants various measures have been adopted. One of these is the organisation of lectures on matters connection with health and welfare; another is the Night School movement; another, the device already mentioned of encouraging medical men to settle down in the villages; yet another is the establishment of village libraries and elementary literary societies. All these are yielding small but favourable results.

Of special interest is the development of women's education. Here, owing to the social customs and religious prejudices of the great majority of the population (Hindus) the difficulties are especially great. The demand for such education has hitherto been very small and this is the first and greatest obstacle. Another obstacle is the serious dearth of women teachers, who alone may undertake the instruction of their illiterate sisters. A handful of enlightened individuals, it is true, defying caste, precept and ancient usage have insisted on the education of their womenfolk. But the sum total of these efforts have hitherto been almost negligible. Recently, however, many hopeful signs have appeared. The growing enlightenment of the people is tending to breakdown the old prejudices. Women themselves seem less satisfied with the customary illiteracy of their mothers and grandmothers. Female education and co-education in the primary classes are growing in popularity; schools and colleges for women are on the increase; women are being encouraged to take up physical training, games and vocational

education; and, perhaps best of all, propaganda in this excellent case is widespread. The results are reflected in statistics. During the year under review, out of a total female population of 120 millions 1·7 millions, or something over one-tenth, were undergoing instruction of all kinds, 1·4 millions in primary schools, 174 thousand in secondary institutions and a little over 2 thousand in university colleges. Girls' schools and colleges have increased from 27,435 in 1924 to 28,554 in 1925 and 29,806 in 1926. Clearly then there has been an encouraging advance.

Reviewing education in India as a whole, it may fairly be said that progress in several directions has marked the history of the past few years. Lack of funds, especially during the early years of the change, dearth of teachers, the chronic apathy of the population as a whole and their dogged adherence to ancient tradition and custom, and, also, political agitation and constant communal friction have proved serious obstacles. Nevertheless, progress has been steady and appreciable. Ministers take a deep and earnest interest in this laudable work and do much with the funds and machinery at their disposal. The demand for sound education is spreading and there is good reason to hope that it will continue to grow in strength.

Coming now to the history of education in the provinces during the year 1925-26, we may note that the spread of elementary education was the outstanding feature of the year in Madras. Readers of last year's report will remember that a survey of elementary education was conducted in the province. The survey shows that there were then 4,037 places in Madras each with a population of 500 and above which have no schools. In pursuance of the policy to provide such places with schools, sanction has been given and funds allotted for the opening of 566 board elementary schools and 642 aided elementary schools. Village Panchayats were also authorised to open elementary schools, and sanction was accorded for the opening of 300 schools under their management. The education tax was levied in 25 municipalities and in 96 taluk board areas.

In the sphere of higher education, the most important development of the year was the inauguration of the Andhra University by His Excellency the Governor in August 1926. Three colleges became first grade colleges and the Madras Government sanctioned

the opening of Group 1 of the Intermediate course to the students of the Government Muhammadan College, Madras. The conference of officials and non-officials on secondary education, which was referred to at page 167 of last year's report, appointed by the provincial Government was still considering the reorganisation of secondary education and their report was not complete at the end of the period under review.

The development of Moplah education continued to occupy attention and a special Assistant to the District Educational Officer in Malabar was sanctioned for a period of one year for the purpose of dealing with problems connected with this subject.

In Bombay, for the first time in its history, the number of pupils in recognised educational institutions exceeded one million, the exact number being 1,037,061. There was an increase of 557 in these institutions which now number 14,371. The percentage of the male population attending schools rose from 8·11 to 8·56 and of the female population from 2·14 to 2·25. Out of a total of 26,731 towns and villages 10,237 possessed schools, the average area served by each school being 12·1 square miles. The total expenditure on public instruction amounted to Rs. 376½ lakhs, or Rs. 37½ lakhs more than in the previous year. The Bombay Government continued to bear the greater part of the cost, their contribution being 51·1 per cent., whilst that of municipal and district local boards amounted to 20·8 per cent. of the total. Nearly half of the expenditure, Rs. 181 lakhs, was absorbed by primary schools.

Progress under the Primary Education Act of 1923 is slow and none of the local authorities extended compulsory primary education during the year under review. Steps, however, have been taken in this direction by three district local boards and six municipalities who have formulated schemes and submitted them for consideration to the provincial Government. On secondary schools the expenditure amounted to over Rs. 70 lakhs, a rise of more than Rs. 4½ lakhs over the previous year.

In Bengal, it will be remembered, the administration of the transferred departments, which include education, was temporarily assumed by the Governor from the 13th June, 1925. The year 1925-26 was one of relative opulence for Bengal and the progress in educational matters which had marked the few previous years was consolidated and extended. Expenditure on education increased by

over Rs. 20 lakhs to Rs. 377 lakhs—38 per cent. being met from provincial revenues, 41 per cent. from fees, 16 per cent. from private sources and the rest from district and municipal funds. An important event was the passing of the Dacca University Act, which made statutory provision for an annual grant of Rs. 5½ lakhs to the university without in any way removing the university from the legitimate control of the Provincial Legislative Council. The Act will enable the University Authorities to make their plans for the future with a reasonable degree of confidence and will allow them to start on a policy of progress free from fear that the necessary funds might be lacking. The question of suitable grant to the Post-Graduate Department of the Calcutta University was also set at rest by the provision of a recurring annual grant of Rs. 3 lakhs, which helped to place the finances of the department on a more stable basis and to remove the atmosphere of uncertainty in which teaching was being conducted with consequent deterioration in standard and achievements. The problem of the reconstitution of the Calcutta University in the light of the recommendations of the Sadler Commission, however, still remained unsolved, nor could any final decision be reached on the constitution or functions of the proposed Board of Secondary Education.

With an additional allotment of Rs. 3 lakhs from provincial revenues, the pay and prospects of many teachers were improved not only directly but also indirectly by insisting as a condition of such grants on the enforcement of certain rates of fees, standards of pay, and the institution, when possible, of provident funds for their benefit. Financial difficulties still stand in the way of the development of secondary education in Bengal to the extent desired both by the Government and the public of the province. Both taxation and fees will probably have to be increased if legitimate ambitions are to be realised, for, although the total expenditure on education in Bengal during the year 1925-26 reached the high figure, for an Indian province, of one crore of rupees, it nevertheless fell considerably short of the amount which could be expended profitably in popular education even in such an advanced province as this.

The expenditure on primary education in Bengal during the year exceeded Rs. 51 lakhs, 31 per cent. of which was met from provincial revenues and 16 per cent. from other public funds. According to the census of 1921, only 9 per cent. of the population of

the province was literate and in 1924 only 12·5 per cent. of the children of school-going age (20 per cent. of the males and 4·9 per cent. of the females) were attending school. Without considering the project for establishing free and compulsory primary education, which would cost not less than Rs. 2 crores a year, for the revenues of the province are really inadequate for carrying out the present commitments. Here again, new taxation must be faced if the problem of elementary education is to be seriously tackled. The Bengal Government have suggested the levy of a cess of 5 pice in the rupee, of which the cultivating raiyat shall pay 4 pice on the annual value of lands and on the net profit of mines, quarries, etc., and have proposed empowering District Magistrates to make equitable assessments, on non-agricultural people who will be untouched by the cess. The proceeds of these taxes, along with all sums granted and expended by Government, shall form the District Primary Education Fund, the administration of which shall be entrusted to a Board of officials and non-officials. This Board will be expected to maintain the pubic primary schools within its jurisdiction, to open additional ones and help their expansion, to make grants-in-aid to schools under private management, and, where free and compulsory education has been introduced, to take measures to enforce attendance. In consultation with the Board, the Provincial Government are to have power to introduce free and compulsory education within an area where a sufficient number of schools exist. It is satisfactory to be able to report that public opinion is gradually coming into line with the above proposals.

Much leeway has yet to be made up by the Muhammadans in the matter of their secondary and higher education. While their proportion in the primary stage is 50·5 per cent. of the total number of pupils under instruction during the year, it is only 13·7 per cent. and 13·2 per cent. in Arts and Professional Colleges respectively, and 15 per cent. and 17·6 per cent. in high and middle schools. A general awakening is, however, noticeable, especially among the upper classes, and this will no doubt accelerate progress in the higher education of Muhammadans before long. The buildings of the new Islamia College are now complete and, this college together with the Moslem Hall at Dacca will be instrumental in providing the best of education for the Moslems of Bengal.

With the growth of female education a feeling is gaining ground that the man-made system of education is altogether unsuitable and

even injurious for girls. The Gokhale Memorial School in Calcutta had been conducting experiments in the education of girls with some degree of success. Of the total number of girls attending institutions of all types, 41 per cent. were Hindus and 56 per cent. Muhammadans, over 95 per cent. being in primary schools.

In the United Provinces the number of scholars increased during the year 1925-26 by over 100,000 to nearly 1,300,000. More than a thousand new schools were opened and expenditure on education increased by nearly Rs. 10 lakhs to Rs. 313·54 lakhs. Of this sum. over one half was contributed by the Provincial Government and it is regrettable that private contributions have diminished. The passing of the United Provinces Primary Education Act of 1926 marked a further advance towards the goal of universal free and compulsory education for boys. It empowered district boards to introduce compulsory education in rural areas in the same way as municipalities had been empowered to do in urban areas. Twenty-three Municipal Boards introduced compulsory education during the year, but owing to the leniency with which the Act was administered, the results have not been all that was expected. A number of district boards introduced free primary education on a voluntary basis but with little success. The resources of most boards were not equal to providing free education without government help. An Inspector was placed on a special duty to examine the progress of compulsory education in municipal schools. The Agra University Act was passed in September 1926.

A notable feature of the year was the introduction of instruction in agriculture and in manual training in vernacular middle schools. Nine district boards, with the help of Government opened such classes. Compulsory Science was introduced in eleven more government English schools and there were 68 schools in which science was a compulsory subject. A deterioration in the standard of English, probably due to the abolition of English as a medium of teaching, was to some extent balanced by the increase in the number of English classes opened with Government aid in vernacular middle schools. Thirty-seven such classes were opened in 1926 and funds were provided for the creation of a bureau for the translation of books into vernacular languages and for the establishment of libraries in vernacular middle schools.

The health of the scholars was not neglected and as an experimental measure ten whole-time visiting doctors were appointed in

ten cities. The report of a Committee which had been appointed to examine the system of physical training in schools is under the consideration of the provincial Government. There was an increase of over 500 in the number of university students. At Allahabad a new course leading to a degree with honours in Science was instituted and magisterial powers to deal with petty offences committed by the students were conferred on the Proctor of the University. The degrees of the Aligarh Muslem University are now recognised by all Indian Universities and, with the exception of Cambridge, by the Universities of Great Britain.

Two appointments in the departments of History and Industrial Chemistry were made at Benares, where also a hostel capable of accommodating 100 women students was completed. A substantial advance was made in secondary education where the number of students rose by nearly 600 to 4,107. The number of English high and middle schools increased by 3 to a total of 228 and of scholars by 4,235 to a total of 62,409.

Although the percentage of trained teachers rose, the benefits which might have been expected from this were reduced by the teachers' apparent lack of real interest in their work. The Boy Scouts movement continued to make progress, but was unfortunately marked by a tendency to communalism.

The number of scholars in primary schools in the United Provinces rose to nearly one million, and the number of primary schools to 18, 220, but very many of the latter were either without buildings or with mere apologies for buildings. Many schools were over staffed on paper and in one district alone it was reported that over one thousand fictitious names were removed from the school rolls. Generally speaking boards were more anxious to obtain good results on paper than to consolidate the ground already won.

There was a substantial rise in the number of schools for girls. A disquieting feature, however, is the difficulty in obtaining women teachers. The tendency of local boards to decrease their contributions for female education does not encourage women to enter the profession. There are now three women lecturers appointed at the Allahabad University.

During the year excellent progress was made in Bihar and Orissa with the new buildings for the University and its affiliated colleges. The question of the control of teaching in the headquarters colleges

was further considered and orders were passed by Government on the report of the Committee which had been appointed to consider the development of higher teaching in various colleges in Bihar proper. Educated opinion on the whole in the province is opposed to the development of intermediate colleges which did not seem to have been very successful elsewhere and have been prejudiced in this province by peculiar circumstances obtaining at the New College at Patna where the experiment has been tried. The University, however, agreed to classes being opened at Ranchi in the special interests of the aboriginal population on the understanding that if the experiment justified the subsequent establishment of a degree college and funds permitted, Government would consider such a further development on its merits. The University regulations were revised so as to abolish the examination for licentiates in teaching and to require the minimum standard of a degree for admission to a training college. Candidates will now receive a diploma after the satisfactory completion of one year's training and will be permitted to sit for the degree of Bachelor of Education after a two years' course. Men with intermediate qualifications will still be trained for the present in Normal Schools.

In the sphere of secondary education there was little to record. Government continued their policy of erecting new buildings and increasing the number of subjects taught. They also carried out a programme of opening classes for manual training and elementary science for every school. It is too early to report on the results of teaching certain subjects in the vernacular up to the matriculation stage in a number of high schools. An industrial class was opened in one Government middle school, four more were sanctioned, and a middle school certificate examination was introduced. Special concessions were announced for pupils of untouchable castes in high and middle schools. The remarkable impetus to primary education showed no signs of slackening. There was a further increase of 66,000 pupils in recognised primary schools, making the total increase during the last four years nearly a quarter of a million or 35 per cent. above the increase of 1921-22. The percentage of the male population attending institutions of all kinds was 5·75 as against 4·27 in 1921-22. Although much leeway has yet to be made up, if progress continues on the present scale, a few years should see Bihar and Orissa on the same educational level as the more advanced provinces. This progress is due partly to generous

expenditure by the provincial Government and partly to a growing desire for education among the rural population. For four years in succession an extra recurring grant of about Rs. 5 lakhs has been divided each year among local bodies and substantial capital grants were made both in 1925-26 and 1926-27 in order that district boards might make experiments with a cheap but durable type of building. New programmes for the expansion and improvement of primary education have been prepared and the orders passed on them by the Government of Bihar and Orissa lay down the general principles on which boards should locate schools, the rates of pay for Gurus, the number of each type of schools required for each district, etc., but leave the actual location and administration of them to the boards themselves. The government authorities remained responsible for training teachers and inspecting schools and, during the year under review have been considering a scheme for improving training schools. The reorganisation of the inspecting staff has now been completed. Deputy Inspectors have been appointed to all the remaining outlying sub-divisions and the two inspectresses of schools replaced by a Deputy Directress responsible for advising the Director on all matters concerning the education of women and girls. Assistant Inspectresses have been increased to 9 and the province is now divided into 9 circles for this purpose. This increase of the inspecting staff is expected to give a much needed impetus to female education.

The total number of pupils in the Central Provinces rose from 362,153 to 377,983 and this increase was shared by all classes of institutions except the professional colleges and high and special schools for girls all of which showed a slight decrease. There was also a decrease in the number of pupils attending unrecognised schools.

The condition of primary education is still not altogether satisfactory because the management of vernacular schools is chiefly in the hands of local bodies and the efficiency with which the schools are administered varies in different districts. Out of an expenditure of Rs. 31·60 lakhs on vernacular education, the Provincial Government contributed Rs. 15·85 lakhs.

Progress in compulsory education continues to be slow. In secondary education, however, the year was one of marked development. In high schools the number of pupils increased from 4,172

to 4,531 and in Anglo-Vernacular schools from 23,368 to 26,070. Several new buildings were erected and a number of government-aided school buildings were extended. Several new government high schools were sanctioned. The result of the high school certificate examination was disappointing and shows that the quality of the teaching in certain high schools still leaves much to be desired. This, however, must not be allowed to obscure the fact that the High School Education Board, which has been in existence for three years, has set and maintained a high standard of education. The Nagpur University maintained the steady progress which has characterised it from its inception. The provision of an interesting series of extension lectures, and the establishment of a university atheletic tournament deserve special mention. The University will shortly be housed properly in its new building and its library is nearing completion. Private benefactions show that the establishment of the University has stimulated public interest. The number of students in colleges increased from 1,262 to 1,383, and a notable event of the year was the laying of the foundation stone of the new College of Science by His Excellency the Viceroy.

Some progress was made in female education, but the lack of trained school-mistresses is still a great handicap. However, a committee has now been appointed by the Provincial Government to enquire into this problem and make suggestion for its solution.

The outstanding features of education in Assam were an increase of 20,000 in the number of scholars, the improvement, by the Calcutta University, of the standards set for the Matriculation examination, and the decision of the Government of Assam to introduce a leaving certificate examination at the close of the middle school stage of instruction. The total number of institutions, recognised and unrecognised, increased from 5,355 to 5,576 and their enrolment from 255,018 to 275,986, of which 5,125 belonged to unrecognised schools. The increase in enrolment was particularly marked in recognised primary schools. The expenditure on all institutions for boys and girls increased from Rs. 38,16,444 to Rs. 40,53,568, or by over 6 per cent., the cost of provincial revenues rising from Rs. 22,62,346 to Rs. 23,49,852, or by about 4 per cent.

The enrolment of students in the Arts Colleges was 1,108 as against 1,075 in the preceding year. The number of secondary schools for boys, English and vernacular, increased from 317 to 328 and their enrolment from 39,371 to 42,820. Primary schools

for boys increased from 4,221 to 4,277, and their enrolment from 184,141 to 194,799. The expenditure on primary education increased from Rs. 10,01,046 to Rs. 10,19,726. The Primary Education Bill provided for the introduction of compulsion gradually, the state paying two-thirds, and local bodies one-third of the cost.

The number of trained teachers increased from 2,923 to 3,150 but the total direct expenditure on training institutions fell from Rs. 88,407 to Rs. 81,854.

The number of recognised schools for girls rose from 414 to 437 and the number of girls at school, including girls reading in boys' schools, increased from 32,517 to 35,200. Direct expenditure on girls' education increased from Rs. 2,00,165 to Rs. 2,11,349.

The number of pupils under instruction in the Punjab was well over a million—an increase of over 140,000, as compared with the previous year. The total expenditure on education amounted to over Rs. 2½ crores, of which over one-half was provided by Government. By the 31st March 1926, compulsory education had been introduced in 42 towns and 451 rural areas with excellent results. The number of one-teacher schools has been reduced to under 500 and the average enrolment in primary and vernacular schools which was only 53·5 in 1920-24, has risen to 82. There was a considerable increase in the number of teachers trained during the year and this was effected at a largely decreased cost. The adoption of courses in rural schools to school requirements continued to engage attention and the training of teachers so as to suit them for the position of leaders in the movement for the uplift of rural life satisfactorily progressed. Adult education continued to expand and there was a large increase both in the number of adult schools and in the number of students attending them. The Departments of Industries are, in every province engaged in valuable work designed not only to increase industrial efficiency but also to safeguard and extend cottage industries. Unlike England's, India's Cottage or Village Industries have not yet ceased to flourish although they have, of course, suffered from the importation of cheap machine-made goods and their diffusion throughout the country. The survival of certain cottage industries in a more or less flourishing condition is due chiefly to the fact that India is essentially a land of cottage industries. Many of her artisans work in isolated villages and live out of touch with the commercial world.

The Indian village, even at the present time, is, unlike its English prototype, generally self-contained except where it has been brought into contact with the outside world by the railway. On passing through almost any village in India one will invariably find the village artisan and craftsman engaged in turning out rough articles of everyday use. The weaver plies his hand loom under the trees in front of his hut; the potter turns his wheel in the open space before his hovel: the blacksmith works at his anvil and forge to make and repair the carts, implements, and tools of the village; the carpenter, the oil-presser, the leather-worker and the shoe-maker are likewise engaged and supply the simple wants of the rural folk. Most of the craftsmen in the village are autonomous workers. In the old village organisation artisans and craftsmen were for all practical purposes public servants and were expected to supply their labour to farmers in return for remuneration in kind, according to a fixed schedule. This system prevails in some villages even to-day. Another reason why some cottage industries are not yet moribund is that in India the machine is the exception and manual labour the rule; this in spite of the fact that in large centres like Bombay, Calcutta, Madras, Cawnpore, and Lahore numerous factories of the modern type have been established. Manual labour remains in vogue because of certain peculiar conditions of modern times which in themselves are favourable to its continuance and growth. Popular taste requires a variety of hand-made goods. Thus some kinds of head-wear, *dhotis* and *saris* made by the hand-loom weavers have not been displaced by modern factories. The weavers of Dacca, Murshidabad, Madura and Benares, those engaged in making embroideries in Lucknow and Delhi and lace in Surat, supply commodities for which the demand in the country has not been seriously affected by competition with similar machine-made articles. The metal worker, the shoe-maker, the goldsmith the tailor, the confectioner and other craftsmen fall into the same category and are similarly protected. Proximity of market and customer, combined with the simplicity of the consumer's wants, gives the cottage industry an advantage over the factory, and the former is now-a-days in a position to benefit by mechanical and other improvements which are being made every day.

But while India is essentially and naturally a land of cottage industries there is considerable room for improvement. Most of

these industries are handicapped by the inability of the individual artisan to employ travelling agents as they should be employed or otherwise advertise his wares, by his inability or unwillingness to use the best materials or tools, by his indifference to the desirability of making suitable improvements, and by his indebtedness to the village moneylender. It is here that organisation ought to, and has, stepped in but not yet to the extent that is necessary. Societies of all kinds are springing up in different parts of the country to encourage small industries, and there is every reason to suppose that their efforts will bear good fruit. But one of the great needs is a central trading organisation. Such an organisation is necessary to connect isolated and unrelated cottage industries, to bring to notice the difficulties regarding supplies of capital, and otherwise to secure co-ordination and co-operation, where necessary, for popularising the cottage wares and for introducing them to suitable markets in this country and outside. Something has been done in this direction by the United Provinces Arts and Crafts Emporium at Lucknow and a similar emporium at Lahore, but these are not enough. Improvements in co-operative methods are essential if cottage industries are to be benefitted to any considerable extent, for co-operative organisation, if efficiently carried out, removes many of the economic disadvantages inherent in the small industry. Wherever such industries are suffering, the main cause is the lack of convenient credit. The poverty of the artisan classes in India is proverbial. Not only are they unable to effect sale of their goods on account of their poverty, but the very quality of their wares suffers on account of their financial condition. Most artisans are hopelessly in debt and thus have to work largely to order. This means that the middle men who place the orders with the producer, and who are anxious only for their own immediate profits, and have no interest in the beauty and excellence of the products, encourage the production of plain, cheap utilitarian work. There are three ways in which co-operation can relieve India's artisan classes: (1) by providing loans on small interest, (2) in the purchase of raw materials and tools and appliances used in handicrafts, and (3) in the sale of the finished article. There is no doubt that a great future lies in front of India's cottage industries if only these methods of co-operation can become firmly established.

The need for establishing technical schools and altering the educational programme in the primary and secondary classes so as

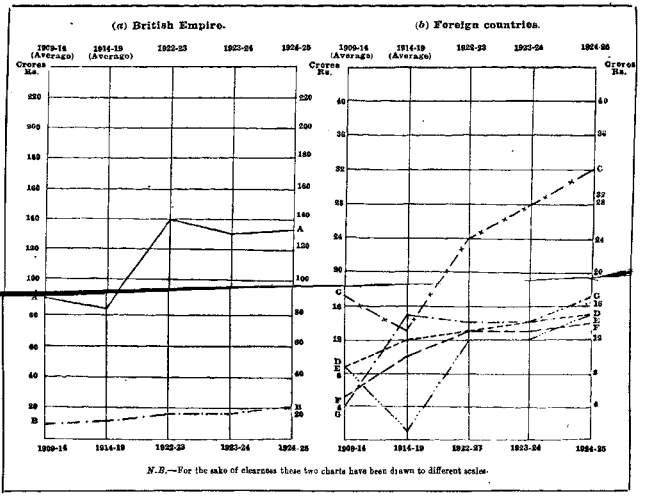
to enable boys to receive manual training and instruction in industrial crafts cannot be over-emphasised. Beginnings have been made in this direction and one need have no misgivings that the matter will receive the earnest consideration of the Ministers in charge of Education. The jails and reformatory schools are now playing a very important part in giving to both boys and men manual training and technical instruction in those industrial crafts which can be carried on in the cottages. In these institutions men and boys are taught to make dusters, rough linen, carpets, durries and, in some jails, even hand-spun silk. They are also taught leather work, carpentry, metal work, cane and bamboo work and even agriculture, principally in the form of market gardening. In fact, there is hardly any form of class of cottage industry that is not taught to prisoners in one or other of the jails. Distinct and great advantages are gained from this form of instruction imparted in the jails. Prisoners are made proficient in useful professions and are thus enabled to begin life anew as wage-earning members of society, whilst, from the point of view of cottage industries, the value of this work is immense and can hardly be over-estimated.

In Bihar and Orissa facilities for technical and industrial operations, on which three-fourths of the funds of the Industries Department are spent, continued to improve. The classes for mechanical engineers instituted at the Bihar College of Engineering with the co-operation of engineering firms which have undertaken to receive passed students as apprentices, are also developing satisfactorily. A scheme for the improvement of the Orissa School of Engineering is already partly in operation and substantial additions to the existing building and workshops are being made. With the completion of the classes at the Ranchi Industrial School every native of the province will be able to obtain in his own division a useful preliminary training in the use of tools, as well as some technical instruction, to be followed by a regular apprenticeship to an engineering firm under the auspices of the managing committee of the local institute. In the Bhagalpur division a full five years' apprenticeship may be served at the workshops of the East Indian Railway at Jamalpur. The other large state-aided technical institute at Jamshedpur, where young men are given a first class practical and theoretical training in the metallurgy of iron and steel, has proved a great success. As usual three foreign State technical scholarships were awarded during the year, while a number of stipends were

DIAGRAM.

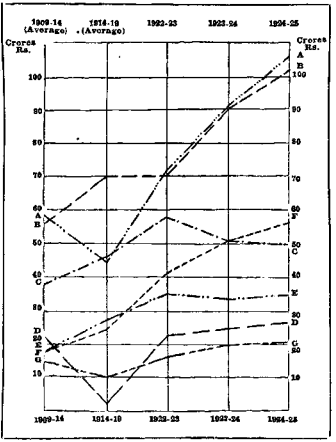
1. Variations in the Trade of British India with principal Countries during the last three years, as compared with average of the pre-war and war periods.

IMPORTS.



N.B.—For the sake of clearness these two charts have been drawn to different scales.

EXPORTS.



REFERENCES OF IMPORTS.

A. United Kingdom.
B. Other Parts of the British Empire.
C. Other Foreign Countries.
D. Java.
E. Germany.
F. United States of America.
G. Japan.

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F. Japan.
G. France.

given to enable young men to obtain training in other parts of India or in the coalfields of the province. Meanwhile the advisory and development work of the department is being gradually placed on a satisfactory footing. The engineering staff under the Industrial Engineer is getting into closer touch with small capitalists and is becoming more and more competent to act as consulting engineer for the various small industries of the province. The organisation of the textile branch is also nearly complete. The province has been divided into ten circles, each in charge of a demonstrator who conducts peripatetic demonstrations of improved appliances. These parties are based on the Cottage Industries Institute which carries out experiments in its various sections, arranges for the supply of looms, dyes, accessories, etc., and introduces new cloths and new patterns among the weavers. Similar services for the silk industry are performed by the Bhagalpur Silk Institute, while the experimental blanket factory at Gaya is attempting to do the same for the primitive blanket industry in the south of the Patna Division.

Since 1920 the Provincial Government have maintained a separate Industries Department whose chief aim is to act in an advisory capacity to small capitalists and to improve and develop cottage industries. After agriculture, hand-loom weaving is the most important industry in Bihar and Orissa. According to the last census there were 165,592 handlooms at work and of these 131,000 were in British India. On the average 20 million pounds of *Indian* yarn is imported annually and it is calculated that it is woven on handlooms into cloth worth nearly 5 crores of rupees. In 1920 one-sixth of the cloth worn by the people in the whole province was hand woven. There is also an important silk weaving centre at Bhagalpur. The Silk Weaving Institute there has achieved great success in introducing new kinds of *silk yarn* for use by the Bhagalpur weavers who formerly used only *tassar* and wove plain silk cloth or a mixture of cotton and silk called *Bafta*. The Institute has developed the use of mulberry, *eri* and *muga* silk, and has produced a number of charming designs in coloured silk. A trade in this product is being slowly built up both in India and abroad, while a large number of fly-shuttle looms are now being used in Bhagalpur town. Local demonstrations are also conducted in various parts of the province of the methods of sericulture, and particularly of the advantages of *eri* silk production as a cottage industry. The

woollen industry is confined to the production of coarse blankets from handspun wool in the Patna Division, but a small experimental handloom factory is now established in Gaya. The chief problem in this connection is to get a suitable fly-shuttle loom for the cottage woollen workers since such a loom for blanket work is much larger than that used for cotton weaving and there is no room for it in their huts.

Bihar and Orissa, as is well known, contains the greatest coal mining and iron and steel industries in India and the province is more richly endowed with minerals than any other part of the country. The Department of Industries does not neglect these important concerns, nor does it allow the necessity for developing other occupations, such as match-making and sugar-cane crushing, to be over-looked.

In Bengal the Department of Industries has since its inception devoted itself to assisting the industrial advancement of the province in various ways. It supplies technical advice and assistance in marketing to industrial concerns, carries out researches on raw material and manufacturing methods. In all these directions results of great practical importance were achieved during the year 1925-26. An improved hackling machine was devised for the development of *sunn* hemp rope-making as a cottage industry. Machines used for spinning jute yarn on a small scale, for bending and marking umbrella handles and for cutting conch-shells were improved. Useful research was carried out at the Serampore Institute in the weaving of coarse jute and coir fabrics and in the spinning of jute, coir, *sunn* hemp, waste silk and wool; and successful results were obtained from experiments in the extraction of cocoanut fibres. The need for state aid to industries by means of credit facilities engaged the attention of the Bengal Government and a Bill designed to meet this need is under preparation. During the year under review a start was made in this direction when a loan of Rs. 7,000 was granted to the Brazier's Co-operative Society at Brahminbaria. There is a distinct shortage of industrial labour in Bengal due in a large measure to the inadequacy of provision for the training of artisans. The possibilities of starting artisan classes in towns and large villages have consequently been investigated and schools with artisan classes have been proposed for certain towns. Education for manipulative industries is provided by the Provincial Governments through an apprenticeship training in

work-shops along with theoretical education in technical schools; whilst for operative industries, there are industrial schools with outside practical training, wherever possible, which supply the necessary education. The Bengal Government have accepted a suggestion to stimulate industrial education with grants-in-aid but have also decided to maintain four existing industrial schools as model government institutions. The weaving schools at Suri and a silk weaving and dyeing school at Behrampore were sanctioned during the year. The total expenditure on grants-in-aid now amounts to over 1½ lakhs of rupees.

A survey of the cottage industries of Bengal was made by the Industries Department in 1924, in order to discover ways of increasing the production of the raw materials used by cottage workers and of improving the methods of their manufacture. The Central Institute at Serampore has been doing excellent work for handloom-weaving which is the most important cottage industry in Bengal. Two demonstration parties visited 23 different centres during the year and demonstrated labour-saving devices, improved looms and methods of manufacture. Administrative approval was given to 12 additional peripatetic schools as an experimental measure for one year for giving instruction in the improved methods of weaving.

In addition to these measures for improving and developing cottage industries the Bengal Department of Industries devotes much attention to the promotion of factory industries of the province and during the year under review problems of the tanning, match-making, glass and mustard-oil industries all came under investigation. Already there are 8 large up-to-date match factories in existence in or near Calcutta which produce about 13,000 gross boxes of matches per day. This rapid expansion of the match industry was reflected in the trade returns for the year. The imports from Japan showing a decline of Rs. 14 lakhs in value though imports of Swedish matches increased by 7 lakhs.

In the United Provinces the number of industrial schools and colleges either controlled or aided by the provincial government rose to 113 with over 3,000 students. The provincial stores Purchase Department bought goods from local manufacturers to the value of nearly 26 lakhs of rupees and it has undertaken to supply yarn to the Co-operative Weaver's Society. In addition to the provision of loans and grants to the extent of over one lakh of rupees

to local industries they were encouraged by the award of gold and silver medals for successful achievement, and demonstrations were held in nearly every district in the province. The grant of two more long-term foreign scholarships for leather working and electrical engineering increased the number of technical scholarships to five. Short term scholarships were given to two *ex*-students of the Arts and Crafts schools in the province and provision was made for more short term scholarships in the succeeding year. According to the annual administration report of the province for 1925-26 the industrial progress of the province was handicapped by a variety of causes, chief of which are the weakness of the spirit of financial enterprise, the inclination to leave the management of industrial concerns to untrained persons and lastly the dearth of skilled mechanics. The Government of the United Provinces through its Department of Industries gives a useful lead in many directions but the real impulse towards industrial development must come from the people themselves and it must be admitted that up to the present there are but scanty signs of an industrial awakening.

In the Bombay Presidency a new cottage industry (manufacture of match boxes from veneers supplied by the match factories established in Santa Cruz, Andheri, Kurla, Ghatkopar and other places) sprang up in the suburbs of Bombay City. This industry gives employment to a large number of people who prefer to work in their own cottages instead of in factories. The low standard of living in this country is one of the factors in the rise or survival of a large number of cottage crafts in the Bombay Presidency and in the absence of a complete industrial survey it is not easy to say how many cottage industries are in existence or what is their present condition. This makes it difficult to suggest measures of state help for some of the cottage workers are experts in their particular occupations and any interference with them must be made judiciously and cautiously. The Department of Industries continued to help the advance under weaving industries, which is the premier cottage industry in the Presidency, by means of weaving schools. The production of hand woven cloth increased by 40 per cent. over the amount produced 25 years ago and the percentage of hand-woven cotton cloth to the total consumption of cotton cloth in the country is now about 29 per cent. compared with 27 per cent. 25 years ago.

The Madras Industries Department continued its policy of sending peripatetic weaving parties to instruct the cottage craftsmen

in new and improved methods of work. Also the provincial textile institute was put on a permanent basis and was given a dyeing section and a laboratory. In addition to conducting courses of instruction the institute continued to manufacture special weaving appliances and to make efforts to overcome the prejudice displayed by weavers against the use of machine-sized warps. The training of Moplahs in cottage industries was continued with gratifying success.

In the Central Provinces much attention is now being paid to the development of industrial schools and to improving the methods of training imparted in these institutions. A special three years ccurse combining general and technical education was introduced at the Nagpur Schools of handicrafts and scholarships are generously given both in this and the other similar institutions in the province. Demonstrations were made all over the province in the use of improved weaving appliances and it is gratifying to note that there was a good demand for some of them from the cottage craftsmen. The year 1925-26 saw considerable progress made in the supply and use of electric power and the Department of Industries was able to interest capitalists in this business.

The year 1925-26 saw the work of the Provincial Department of Industries going on satisfactorily in Assam. Travelling weaving parties were at work throughout the year and many orders were received for improved looms and other appliances from village workmen, but these orders could not be fully complied with since it was not possible to manufacture these appliances locally on account of the lack of skilled artificers. The extension of facilities for the training of mechanics and in particular the establishment of a technical school at Jorhat will help to solve this problem. Much good work was done at sericultural stations and large numbers of cocoons were distributed to the public. The Gauhatti emporium and central stores continued its useful work of assisting the cottage workers of the Gauhatti weaving institute by providing them with regular work. Attention was paid to the training of youths in handicrafts such as wood and metal working and stone masonry.

With the Co-operative Society movement we come to what is unquestionably one of the most promising and important of the efforts now being made to improve the conditions of life in India. Its activities are not confined merely to the agricultural population, although, of course, it is among them that it finds its greatest scope

and widest field of work. It is now about 23 years since the Co-operative Societies movement was started in India and its record has been one of uninterrupted progress, the total number of Co-operative Societies having risen to well over 70,000. It is only natural that such an impressive growth should be accompanied by some failures due either to ineptitude, or, as in some instances, to actual dishonesty. But on the whole the growth has been a sound and healthy one, and if the most important of all the statistics which are prepared in connection with the Co-operative Societies are studied—the figures which show the overdue recoveries outstanding by the Societies—it will be seen that the Co-operative movement in this country is in a good state of health.

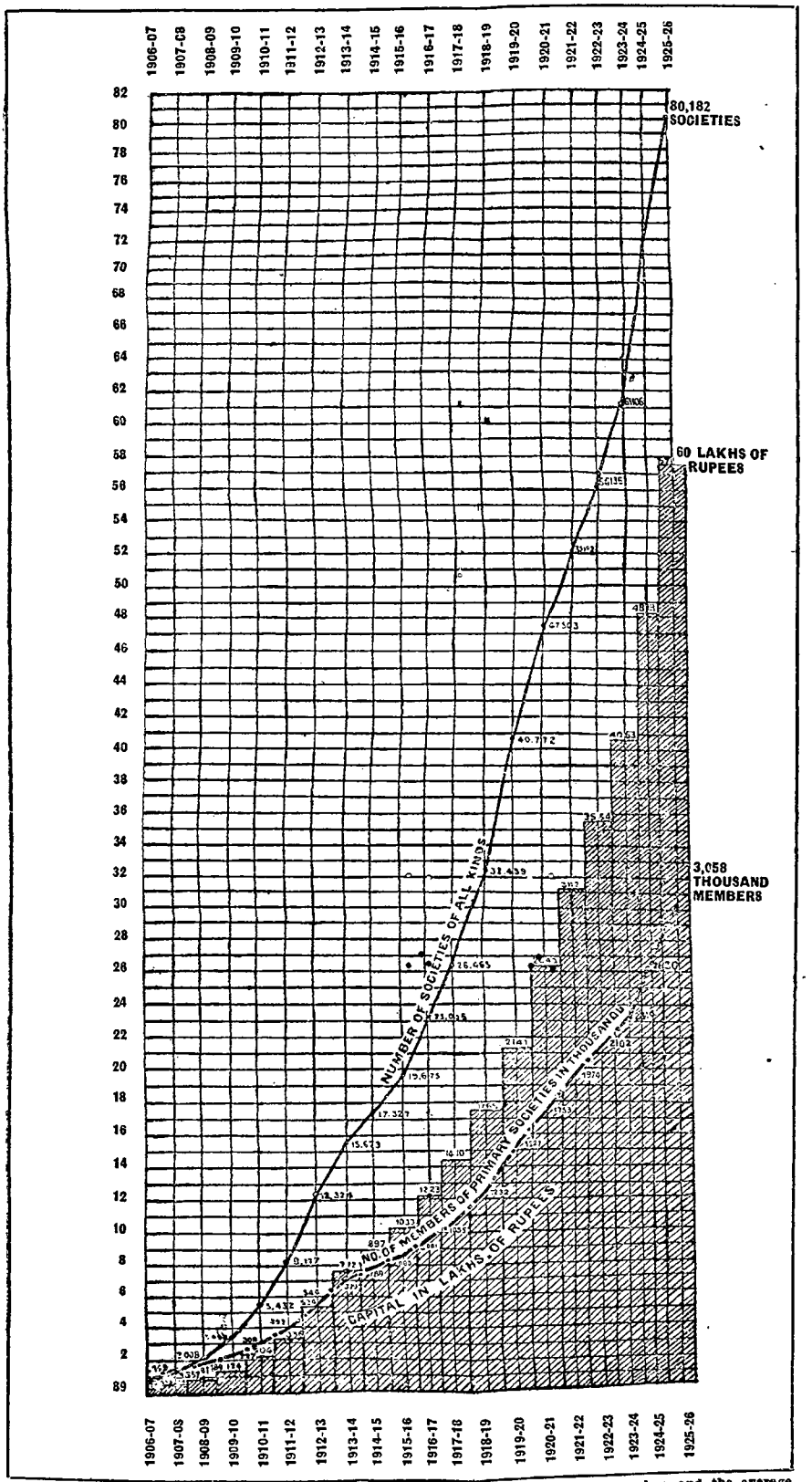
It is obvious that in a land of the size of India, the Co-operative movement does not function under homogeneous conditions in every part. If the reader glances at the map of India, he will see on the east and in the centre an immense block of territory represented by Bengal, Bihar and Orissa, the Central Provinces and the United Provinces where, broadly speaking, the agriculturist is a tenant holding his land by one form of tenure or another from a landlord. This means that he can only offer personal security for any obligation contracted by him. To the north, the west and the south of this block are the ryotwari provinces of the Punjab, Bombay and Madras, that is the provinces where the agriculturist as a rule has mortgageable rights in his land and therefore can offer real, instead of personal, security. Thus the Co-operative movement in the former group of provinces is faced with certain difficulties which do not appear in the latter group, and this general consideration should be borne in mind by all who study the work of the Co-operative Societies in India.

Through these societies a good deal of quiet constructive work has been carried on. Their membership and capital grow steadily, and one of their primary objects is the encouragement of thrift by collecting small shares, receiving deposits and attempting to induce members to make compulsory contributions for special purposes. In no province in India does the work of the Co-operative Societies end with the supply of credit or with the removal of indebtedness.

Agricultural non-credit societies are extending their operations every year. They undertake the joint sale of agricultural produce, the production and sale of implements and manures, the

DIAGRAM.

Progress of Co-operative Movement in India, 1906-07 to 1925-26.



Note.—Capital is increasing faster than membership, being now nearly Rs. 188 per member, and the average membership per society is now 38. The capital is Rs. 7,184 per society.

furtherance of irrigation projects, and the consolidation of holdings. They open dispensaries and schools; they assist the Agricultural Departments in spreading knowledge of improved methods of cultivation; they maintain communications and build new roads. The co-operative movement has its own individual features in each province. In Madras, building societies helped by the government, are very active; cultivators have formed societies to enable them to hold up their crops for a favourable market and the co-operative movement is spreading even among the depressed classes. Bombay has developed co-operative banking, and implement societies, which hire and maintain expensive agricultural machinery. In Assam, the Department of Agriculture has been amalgamated with the Co-operative Society. Some of the money-lenders of Bengal have even taken to investing money in the co-operative societies, and in Bihar and Orissa a society has been formed to undertake farming on a large scale. In the Punjab, particular attention is being paid to the consolidation of holdings and much valuable work has been done already in this respect. In one village which was consolidated two years ago, the rent of the area treated is reported to have doubled. A mortgage bank, assisted by the government, has been opened to provide long-term credit for redeeming the heavy mortgage debt of the Province, and to finance large schemes of agricultural expansion. A very promising feature of the co-operative movement everywhere is the growing number of voluntary workers.

In Madras the re-organisation of the upper controlling staff of which mention was made in last year's report came into full effect during 1926. Existing Societies expanded their activities and full progress was made in the formation of new societies. The total working capital of all classes of Co-operative societies was over 11 crores on the 30th June 1926. Three more land mortgage Banks were registered during 1926 bringing the total to seven. The aim of these banks is to enable ryots to clear their lands of all debts and to effect improvements. Trading Societies had a profitable year and the Societies for organising labour on a co-operative basis, which are one of the features of the movement in Madras, turned out a greater amount of work than in the previous year and proved their usefulness both to their members and to the public bodies which had entrusted contracts to them. The system of granting loans on agricultural produce and standing crops shows signs of becoming popular and the Madras Government have sanctioned long

term loans to the extent of Rs. 25,000 to sale societies for building sheds for the storage of produce. These loans on produce and the work of the sale societies protected cultivators from forced sales at uneconomic prices. The very interesting feature of the Co-operative movement in Madras is the training classes which are now held in order to instruct office holders and other unofficial workers in Co-operative Society administration.

The state of Co-operative Societies in the United Provinces was shown in last year's Report to be far from satisfactory and it was there stated that a committee had been appointed to enquire into the whole state of the movement in the provinces. The committee published its report in February 1926. The conclusions reached were that the Co-operative movement in the Provinces was generally lacking in vitality owing chiefly to defective organisation and supervision of primary Societies by the Bank staffs, insufficient propaganda, and inadequacy of the Co-operative Societies departmental staff. The necessity for an increase of staff was recognised and in September 1926 the number of auditors was raised. The other recommendations of the Committee have in the main been accepted by the Provincial Government and as a preliminary measure it is proposed, if the Legislative Council agrees, to make an additional appointment of one Deputy Registrar, and four Assistant Registrars and fourteen inspectors with effect from April 1927. Statistics for the year 1925 show a steady if slow progress. The number of societies increased by over 200 and 151 unsound societies were weeded out during the year. On the whole there is reason to be hopeful for the future. The main causes of stagnation in the Co-operative movement in the United Provinces have now been detected and the reforms which the Provincial Government have already undertaken should produce the desired effects. Staffs are to be still further increased and it is hoped to bring them to a total which will enable them to tackle successfully the important problem of invigorating the primary societies.

Another province whose record was stated to be discouraging in last year's report was the Central Provinces, and here consolidation rather than expansion was the feature of the year 1925-26. No fewer than 232 Societies were cancelled, these figures bringing the total number of Societies cancelled during the last four years to 1,118. The importance of winding up as early as possible all Societies which are a danger to the stability of the movement has

now been fully recognised and there are indications that the work of re-organisation is being attended with a gratifying measure of success. Fortunately the financial position of the Central Banks is thoroughly sound and most of them have now realised the importance of training the paid staffs and the members of societies in the principles and practice of Co-operation by the holding of meetings and conferences. In order to stimulate interest and to foster a sense of responsibility 61 new societies have been organised on a share basis and 56 old societies have been converted into share societies. It is at present too early to judge the success of these measures but they are particularly welcome in the present condition of the movement in the Central Provinces since they encourage members to participate more actively than before in the conduct of the business of their societies.

In the Punjab where the Co-operative Societies movement has taken deep root there is excellent progress to record during the year ending March 31st 1926. The number of agricultural Co-operative Societies rose by 1,200 and the working capital of Co-operative societies of all kinds increased by more than 2 crores of rupees. Over 20,000 new societies were added to the existing number of agricultural societies. Particular attention has been devoted in the Punjab to the financial organisation of the movement and the outstanding features of the work of the year under review were the development of the Punjab Provincial Co-operative Bank and the founding of land mortgage Banks. Considerable attention was also given to the extension of better farming and cattle breeding societies. The work of consolidation of fragmented holdings proceeds apace, and in this side of the movement lies much promise for the improvement of agriculture in the Punjab.

The consolidation movement is now about six years old, and in that time its operations have been extended from three districts in which it was originally started to twelve districts. When the movement began, it included 45 consolidation societies with 1,653 members working on an area of 8,000 acres. Within this area these societies reduced the number of fields from eleven thousand to about two thousand. By the end of July 1926 no fewer than 255 societies with 12,649 members were at work. The acreage covered by their activities had by this time risen to 60,015 and altogether the number of fields dealt with have been reduced from 88,710 to 16,458 at a cost varying from Re. 1-6 to Rs. 2-1 per

acre, none of which has fallen on the cultivator. This compares favourably with the cost of consolidation in other countries, which has to be met partly by the tenants themselves. It is gratifying to note also that the Punjab figure shows a tendency to decrease.

The advantages secured by the process of consolidation are conspicuous and considerable. It has led to whole-sale improvement in agriculture generally. New land has been brought under cultivation and irrigation has been extended. New ploughs and other implements are being used, new crops and new varieties of all ones are being sown, the planting of trees and reeds in hitherto waste soil is proceeding and cultivators show an increasing readiness to adopt new and better methods and material. All this has resulted in increased contentment, an improvement in the cultivator's condition and an alround increase of rents. Moreover, causes of quarrel and litigation have been reduced substantially.

It is interesting to note that contrary to the experience of certain other countries where holdings have been consolidated, these satisfactory results have been obtained without coercion. Though the bye-laws of the Consolidation Societies give them power to use compulsion, the provision has never been put into effect. This is undoubtedly wise for were compulsion to be employed, the inborn litigiousness of the Indian ryot would certainly lead to law suits and appeals and would thus both delay consolidation and increase its cost. A very interesting development has recently been inaugurated by Mr. C. F. Strickland, the officiating Registrar of Co-operative Societies in the Province, who is bringing the advantages of Co-operative Societies home to agriculturists by means of travelling cinema shows.

In Bengal where prosperous agricultural conditions prevailed, the year 1925-26 was one of special activity for the Co-operative movement and a marked increase in membership and working capital was registered. It is a striking fact that the number of Co-operative Societies, their membership and their working capital have almost doubled since 1921. During the 21 years of its existence in Bengal, the Co-operative movement has already affected a marked reduction of the prevailing rates of interest and has also enabled the people to invest in the Co-operative Societies the surplus money which they used to keep infructuously in hoards. Appreciable progress was made during the year in the development of sale and supply societies on a large scale, in giving effect, in

other words, to the idea of re-organising the economic structure in respect of sale of agricultural produce and the supply of necessaries of life on a co-operative basis. Experiments have shown that if sale societies are to be successful they must be on a large scale, so as to be able to handle commodities in bulk and guarantee their quality. The organisation of the Chandpur Sale and Supply Society gave a great impetus to the sale movement and towards the close of the year similar societies at Sarisbari, Bhanguria, Serajganj, Naogaon, Taki (Basirhat) and Alamdanga were organised for the sale of jute, which within this short period, have been able to establish their market with the mills. Several paddy sale societies are also now in operation and the Bengal Government has given their financial assistance in the building of a Central Depôt in Calcutta. The Provincial Government have also agreed to provide adequate supervising staff for a small number of paddy and jute sale societies in their initial stages and to grant financial assistance to them in the shape of loans for the provision of storage accommodation.

On the purely credit side, the working of the year fully proved that the development of co-operative banking and the linking up of the financing of agriculture with that of trade and commerce will be of incalculable benefit to the country, as it will undoubtedly save much of the waste attendant upon the use of cash. Considerable advance was made during the year in getting Co-operative banks to recognise the need for distinguishing between short-term and long-term loans, a distinction which corresponds to a real distinction in the needs of members. By maintaining an effective watch over the proper use of loans and their repayments and by helping to keep the major portion of the assets of the societies in a fluid state this distinction will undoubtedly assist the movement to come into closer touch with the money market. The need for land mortgage banks for the redemption of old debts is now being felt and a start in this direction is being made by the establishment of a bank in the Rajshahi district. The number of Irrigation Societies continued to increase in spite of a local set-back in the Bankura District, and a noteworthy development during the year was the formation of a society for putting up an embankment for protecting from the ingress of salt water an area in the Khulna district.

The Calcutta Milk Union recorded marked development during the year. The Corporation of Calcutta granted to the Union a non-

recurring subsidy of Rs. 5,000 and a loan of Rs. 50,000 free of interest, repayable in 6 years, on condition that the Union increased its yield to 500 maunds a day within 3 years. With this assistance the Union was able to erect a dairy with up-to-date plant for the purpose of pasteurising and treating milk. The membership of the Union increased from 63 to 71 societies, and the existing capital from Rs. 75,000 to Rs. 1,17,961. There was a further extension in the area of its operations.

The great difficulty in the way of the development of industrial societies is the control now wielded by middlemen over the supply of raw materials and the disposal of the finished products. Every attempt is being made to overcome these difficulties, and co-operative organisations are more and more taking over these functions of the middlemen. Foremost among these societies are the Weaver's Associations one of which, the Bagerhat Co-operative Weaving Union, has started the first Co-operative cotton mill in India. Considerable advance was also made in the organisation of the silk industry on a co-operative basis. The Dopukuria Silk-Reeling Society in Murshidabad took up the construction of the first co-operative factory of its kind for reeling silk in filature. Societies have been formed to carry out different processes in the manufacture of silk from cocoons reared by other societies and all these will co-ordinate their activities and thereby make the manufacture of silk by co-operative societies in Bengal into a self contained industry.

Owing partly to the distribution of grants by the Government of Bengal, there was a remarkable expansion of the activities of co-operative anti-malarial societies for the improvement of rural sanitation. The number of these societies rose from 98, with a total membership of 2,251 and a working capital of Rs. 8,753, to 269 with 6,488 members and a working capital of Rs. 19,064. They are doing useful work by combating preventable diseases such as malaria, Kala-azar and cholera, and they have also applied themselves to the provision of pure water-supply by sinking tube-wells in places of scarcity.

Hitherto, the Co-operative movement in this province has consisted of men's organisations only, but the necessity has been keenly felt for including women's organisations within it so as to secure their active sympathy and support. A beginning was made by the Saroj Nalini Dutt Memorial Association, which organised

several women's societies (mahila samitis) of which five were registered during the year.

The reconstitution of the Bengal Co-operative Organisation Society was an important event of the year. The society has been registered under the Co-operative Societies Act II of 1912, and is now a federation of the registered societies in the Province.

In Bihar and Orissa the Co-operative movement continued to expand during the year 1925-26 when 930 new societies were registered bringing up the total number of societies of all kinds to over 8.000. Five new central banks were established, while there are now more than 200 guaranteed unions. The growth of the movement rendered it necessary to appoint a Deputy Registrar to take semi-independent charge of Chota Nagpur and Orissa. Very few sub-divisions in the province are now without a society, and nearly all have at least 50 whilst some have over 200. There are certain features which cause anxiety but on the whole the societies are making their influence felt more and more and their aid is increasingly sought by the agricultural and other departments which have to maintain close touch with the people. The Provincial Government advanced loans free of interest to seven central banks for the construction of seed and manure godowns, and also paid special subsidies to enable them to appoint subordinates to work under the direction of the Agricultural Department in popularising improved seeds and manure recommended by it.

Bombay reports uniform and satisfactory progress in the co-operative movement during the year 1925-26, when the total number of societies rose from 4,126 to 4,645. A large increase in the number of members and in the working capital of the societies is also reported. Many new agricultural societies were formed and housing societies made satisfactory progress in Karachi and Dharwar. The notable feature of the year was the registration of a housing society in Ahmedabad the importance of which will be easily realised in view of the remarks made on the subject of working class housing in Chapter III.

But perhaps the most important event of the year was the revision of the constitution of the Central Co-operative Institute, that is, the agency which controls the Co-operative movement in the Bombay Presidency. It is now constituted on a more democratic basis and mainly represents primary societies which will henceforth

have a large majority on the boards of management. Branches of the Central Institute, to be called local institutes, will be formed in every district, and thus the Central Institute will become a sort of federation of societies. A supreme Board of management for the province is to be formed under the name of the provincial Co-operative Council. This body which is composed of a hundred members will meet at least twice a year and will perform much the same functions as are now performed by the annual Provincial Conference.

Assam reports steady progress of the movement and an increase in the number of societies and in their membership and working capital. Agricultural credit Societies are now in a position to provide short term crop loans on a larger scale than before, but the problem of long term loans for land improvement and for the liquidation of old debts remains. The establishment of a Co-operative Land Mortgage Bank in the district of Kamrup however represents the beginning of an attempt to tackle this problem. Assam now has an advisory Board for Provincial Developments and one of the sections of this board is to deal particularly with the co-operative movement.

What has been said in this chapter shows that the "nation-building" departments in the provinces are doing a good deal of valuable constructive work, and it is to be hoped that the great remissions of provincial contributions which have now been made will allow this work to be extended and its results to be consolidated. Perhaps the latter process represents the more urgent need at present, for signs are not lacking that here and there the operations of ministers tend to be directed by zeal rather than a judicious caution.

APPENDIX I.

THE CONGRESS RESOLUTION (1926).

This Congress reiterates its resolve that the general policy of Congress-men in the Assembly and the various Councils shall be one of self-reliance in all activities which make for the healthy growth of the nation and of determined resistance to every activity, governmental or other, that may impede the nation's progress towards Swaraj. In particular, Congress-men in the legislatures shall

(*a*) refuse to accept ministership or other office in the gift of the Government and oppose the formation of a ministry by other parties until in the opinion of the Congress or the All-India Congress Committee a satisfactory response is made by the Government to the National Demand;

(*b*) subject to clause (*d*) refuse supplies and throw out budgets until such response is made by the Government or unless otherwise directed by the All-India Congress Committee;

(*c*) throw out all proposals for legislative enactments by which the bureaucracy proposes to consolidate its powers;

(*d*) move resolutions and introduce and support measures and bills which are necessary for the healthy growth of national life and the advancement of the economic, agricultural, industrial and commercial interests of the country, and for the protection of the freedom of person, speech, association and of the press, and the consequent displacement of the bureaucracy;

(*e*) take steps to improve the condition of agricultural tenants by introducing and supporting measures to secure fixity of tenure and other advantages with a view to ensure a speedy amelioration of the condition of the tenants; and

(*f*) generally protect the rights of labour, agricultural and industrial, and adjust on an equitable basis the relations between landlords and tenants, capitalists and workmen.

APPENDIX II.

ANNEXURE CONTAINING SUMMARY OF THE CONCLUSIONS REACHED BY THE ROUND TABLE CONFERENCE ON THE INDIAN QUESTION IN SOUTH AFRICA.

I. *Scheme of assisted emigration.*—(1) Any Indian of 16 years or over may avail himself of the scheme. In case of a family, the decision of the father will bind the wife and minor children under 16 years.

(2) Each person of 16 years of age or over will receive a bonus of £20 and each child under that age a sum of £10. No maximum shall be fixed for a family. A decrepit adult who is unable to earn his living by reason of a physical disability may, at the discretion of the Union authorities, receive a pension in lieu of or in addition to the bonus. The pension will be paid through some convenient official agency in India out of a fund provided by the Union Government to such amount as they may determine. It is expected that the amount required will not exceed £500 per annum in all.

In every case the bonus will be payable in India on arrival at destination or afterwards, through some banking institution of repute.

(3) Free passage, including railway fares to port of embarkation in South Africa and from port of landing in India to destination inland, will also be provided.

(4) Emigrants will travel to India *viâ* Bombay as well as *viâ* Madras. Emigrants landing at Bombay will be sent direct from the ship to their destination at the expense of the Union Government.

Survey and certification of ships shall be strictly supervised and conditions on the voyage, especially in respect of sanitary arrangements, feeding and medical attendance, improved.

(5) Before a batch of emigrants leaves the Union, information will be sent to some designated authority in India at least one month in advance giving (*a*) a list of intending emigrants and their families, (*b*) their occupation in South Africa and the occupation or employment which they would require in India, and (*c*) the amount of cash and other resources which each possesses. On arrival in India emigrants will be (*i*) advised, and so far as possible, protected against squandering their cash or losing it to adventures, and (*ii*) helped, as far as possible, to settle in occupations for which they are best suited by their aptitude or their resources. Any emigrant wishing to participate in emigration schemes authorised by the Government of India will be given the same facilities in India as Indian nationals.

(6) An assisted emigrant wishing to return to the Union will be allowed to do so within three years from the date of departure from South Africa. As condition precedent to re-entry, an emigrant shall refund in full to some recognized authority in India the bonus and cost of passage including railway fares received on his own behalf and if he has a family, on behalf of his family. A *pro rata* reduction will, however, be made (*i*) in respect of a member of the family who dies in the *interim* or a daughter who marries in India and does not return, and (*ii*) in other cases of unforeseen hardship, at the discretion of the Minister.

(7) After expiry of three years Union domicile will be lost in agreement with the proposed revision of the law relating to domicile which will be of general application. The period of three years will run from the date of departure from a port in the Union and expire on the last day of the third year. But to prevent the abuse of the bonus and free passage by persons who wish to pay temporary visits to India or elsewhere no person availing himself of the benefits of the scheme will be allowed to come back to the Union within less than *one* year from the date of his departure. For purposes of re-entry within the time limit of three years, the unity of the family group shall be recognised though in cases of unforeseen hardship the Minister of the Interior may allow one or more members of the family to stay behind. A son who goes with the family as a minor, attains majority outside the Union, marries there and has issue will be allowed to return to South Africa, but only if he comes with the rest of his father's family. In such cases he will be allowed to bring his wife and child or children with him. But a daughter who marries outside the Union will acquire the domicile of her husband and will not be admitted into the Union unless her husband is himself domiciled in the Union.

II. *Entry of wives and minor children.*—To give effect to paragraph 3 of the Reciprocity Resolution of the Imperial Conference of 1918, which intended that an Indian should be enabled to live a happy family life in the country in which he is domiciled, the entry of wives and children shall be governed by the following principles:—

(*a*) The Government of India should certify that each individual for whom a right of entry is claimed, is the lawful wife or child, as the case may be, of the person who makes the claim.

(*b*) Minor children should not be permitted to enter the Union unless accompanied by the mother, if alive, provided that

(*i*) the mother is not already resident in the Union, and

(*ii*) the Minister may, in special cases, permit the entry of such children unaccompanied by their mother.

(*c*) In the event of divorce no other wife should be permitted to enter the Union unless proof of such divorce to the satisfaction of the Minister has been submitted.

(*d*) The definition of wife and child as given in the Indians Relief Act (No. 22 of 1914) shall remain in force.

III. *Upliftment of Indian community.*—(1) The Union Government firmly believe in and adhere to the principle that it is the duty of every civilised Government to devise ways and means and to take all possible steps for the uplifting of every section of their permanent population to the full extent of their capacity and opportunities, and accept the view that in the provision of educational and other facilities the considerable number of Indians who remain part of the permanent population should not be allowed to lag behind other sections of the people.

(2) It is difficult for the Union Government to take action, which is considerably in advance of public opinion, or to ignore difficulties arising out of the constitutional system of the Union under which the functions of Govern-

ment are distributed between the Central Executive and the Provincial and minor local authorities. But the Union Government are willing:—

(*a*) in view of the admittedly grave situation in respect of Indian education in Natal, to advise the provincial administration to appoint a provincial commission of inquiry and to obtain the assistance of an educational expert from the Government of India for the purpose of such inquiry;

(*b*) to consider sympathetically the question of improving facilities for higher education by providing suitable hostel accommodation at the South African Native College at Fort Hare and otherwise improving the attractiveness of the institution for Indians;

(*c*) to take special steps under the Public Health Act for an investigation into sanitary and housing conditions in and around Durban which will include the question of

(*i*) the appointment of advisory committees of representative Indians; and

(*ii*) the limitation of the sale of municipal land subject to restrictive conditions.

(3) The principle underlying the Industrial Conciliation Act (No. 11 of 1924) and the Wages Act (No. 27 of 1925) which enables all employees including Indians to take their places on the basis of equal pay for equal work will be adhered to.

(4) When the time for the revision of the existing trade licensing laws arrives, the Union Government will give all due consideration to the suggestions made by the Government of India Delegation that the discretionary powers of local authorities might reasonably be limited in the following ways:—

(1) The grounds on which a licence may be refused should be laid down by statute.

(2) The reasons for which a licence is refused should be recorded.

(3) There should be a right of appeal in cases of first applications and transfers, as well as in cases of renewals, to the courts or to some other impartial tribunal.

IV. *Appointment of Agent.*—If the Government of the Union of South Africa make representations to the Government of India to appoint an agent in the Union in order to secure continuous and effective co-operation between the two Governments the Government of India will be willing to consider such a request.

APPENDIX III.

PRESS COMMUNIQUÉ.

Simla, the 29th September, 1926.

The following statement regarding the negotiations carried on by the Government of India with the Ceylon Government on the subject of fixing standard wages for Indian estate labourers in Ceylon and of certain other matters affecting them, is published for information.

2. When considering the question of allowing the emigration of Indian labour to Ceylon under the Indian Emigration Act, VII of 1922, the Standing Emigration Committee of the two houses of the Indian Legislature suggested that a basic wage should be fixed for Indian labourers which should be sufficient—

(*a*) to maintain a labourer in tolerable comfort according to his standard of living, regard being had to the fact that a male may have to provide for a family; and

(*b*) to allow a margin for savings, sickness and old age.

The Government of Ceylon were accordingly asked in October 1922 to institute an enquiry into the cost of living and the question of fixing such a basic wage. They entrusted the task to their Assistant Director of Statistics—Mr. Jones-Bateman. Through the courtesy of the Ceylon Government the Government of India were enabled to examine his report, which reached them in December 1923. They discussed it with the Standing Emigration Committee and their Agent in Ceylon, and informed the Colonial Government on the 9th July 1924 that they could not accept Mr. Bateman's conclusions, and suggested further investigation by a Committee of Inquiry on which the representatives of both Governments should be represented.

3. In response to this suggestion the Government of Ceylon appointed a Committee, consisting of the Controller of Indian Immigrant Labour in Ceylon, the Director of Statistics, Ceylon, the Agent of the Government of India in Ceylon, and four representatives of the planting community, to make inquiries and submit recommendations. The Minutes of the Meetings of this Committee were forwarded to the Government of India in April 1925. The Committee recommended—

(1) that the principle of a standard wage be accepted; and

(2) that assuming that an adult male or female labourer works for 24 days in a month and working child for 20 days, the following rates should be fixed as the standard:—

	Men Rupee cents.	Women Rupee cents.	Working children Rupee cents.
Low country	50	40	30
Middle country	52	41	31
Up country	54	43	32

The Colonial Government referred these proposals to the Associations of the Planting Industries concerned for their observations and also asked the Government of India for their views.

4. The proposals were carefully considered by the Government of India in consultation with the Standing Emigration Committee, the Government of Madras and their Agent in Ceylon. Although the rates recommended represented an advance upon existing rates of wages ordinarily paid to Indian estate labourers Ceylon, they did not appear to provide the required margin for savings, sickness and old age. They only seemed adequate to meet the current expenses of a labourer in accordance with the scales set forth in the family budgets prepared by the Agent of the Government of India in Ceylon and accepted by the Committee. The Government of India accordingly decided to suggest to the Ceylon Government that 10 per cent. should be added to the Committee's scale to provide the margin. This proposal was made to the Ceylon Government on the 21st January 1926. Meanwhile, the Planters' Association of Ceylon had brought forward proposals for setting up District Wages Boards, and the Colonial Government had suggested that their Controller of Indian immigrant Labour, Mr. T. Reid, C.C.S., should be deputed to Delhi to confer on the subject with the Government of India, accompanied by the Indian Emigration Agent. The latter proposal was accepted.

5. Mr. Reid arrived at Delhi on the 2nd March 1926, and discussed the proposals made by the Government of India regarding the standard wage question. Certain other outstanding matters relating to the welfare of the Indian labour force in Ceylon were also discussed with him. On the wage question Mr. Reid put forward an alternative scheme on behalf of the Colonial Government. He claimed that the margin of 10 per cent. stipulated by the Government of India was approximately provided for in the difference between the standard wages which an adult labourer would earn under the scale of wages proposed by the Ceylon Committee of Inquiry and his actual cost of living, exclusive of that of dependents, calculated according to the budgets, adopted by them. The combined earnings and expenditure of an adult man and wife for the various typical tracts compared as follows:—

—	Earnings per mensem.	Expenditure per mensem.
	Rs.	Rs.
Low country	21·6	19·57
Middle country	22·32	20·55
Up country	23·28	21·40

He therefore urged that it remained only to make provision for non-working dependents and suggested that the requirements of the Government of India would be substantially met by the following concession in addition to wages:—

(*a*) An issue at the rate of one-eighth of a bushel of rice free every month to each working man; and

(*b*) An issue of the same monthly to each widow with a non-working child.

It was made clear that these free issues would be made to all qualified persons on the estate rolls whether they worked for a minimum number of days per month or not. The cost to the planters of this concession was estimated at Rs. 30 lacs per annum.

6. Mr. Reid further stated that, in order to ensure that the initial rates of wages which would be fixed under statutory sanction on the above scale, should not be lowered in future without good cause, he was in a position to give an undertaking on behalf of his Government:—

(*i*) That the standard rates proposed by the Ceylon Government and including the additions referred to in (*a*) and (*b*) of paragraph 5 above, should not be varied in future except in harmony with variations in the labourers' cost of living as compared with such cost at the date of fixing standard wages.

(*ii*) That, should a serious emergency occur resulting in a demand for reduction of the above rates, and should the Ceylon Government desire to accede to such demand, the Ceylon Government would communicate their intention to the Indian Government and would undertake to effect no reduction in standard wages until the expiration of six months from the date of such communication of intention, save by the mutual consent of the two Governments.

(*iii*) That should the two Governments fail to come to some agreement regarding the proposed reduction of wages within the six months referred to, thereafter each Government would be free to take such action as it deemed necessary, without further consulting the wishes of the other Government.

7. The Government of India informed the Government of Ceylon on the 1st May 1926 that they were prepared to accept these proposals subject to certain conditions. For the words "as compared with such cost at the date of fixing standard wages proposed by Mr. Reid [see paragraph 6 (*i*) *supra*], they wished to substitute "as compared with the cost with reference to which standard wages were fixed." The idea was that the scale of standard wages actually fixed should, if necessary, take account of any upward movement in the cost of living which may have taken place since the Committee made their recommendations. The other conditions, which, it was understood, Mr. Reid was also prepared to recommend to the Government of Ceylon for acceptance, were:—

(*a*) The Government of India should have a reciprocal freedom of terminating the arrangement described above, in the event of circumstances arising which, in their opinion, justified an increase in wages over the existing standard rates and the Ceylon Government were not prepared to give the increase.

(*b*) Every Indian labourer should have a definite statutory option of working on standard time wages in lieu of piece work rates, if he so desired; and

(*c*) The new arrangement was brought into effect from the 1st January 1927 at the latest.

8. At the same time, the Government of India intimated to the Ceylon Government that the following subsidiary matters affecting the Indian labour force in Ceylon would require to be adjusted, if possible, simultaneously with the wage question:—

(a) Provision in the law for the full and regular payment to a labourer of all his earnings within a reasonable time;

(b) Improvement of existing arrangements for the health, accommodation and medical care of estate labourers;

(c) Increase of facilities for the proper education of their children;

(d) Prohibition of employment of children under 10 years of age; and

(e) Provision in law for the issue of rice of a prescribed quality and at a prescribed rate.

9. Intimation has now been received from the Government of Ceylon confirming in full the terms of the settlement arrived at with Mr. Reid. The Ordinance to give effect to the new arrangement has been prepared and will shortly be introduced. The Government of India have ascertained from their Agent that there has been no rise in the cost of living since the standard rates specified in paragraph 3 of this statement were proposed by the Ceylon Inquiry Committee nor is any such increase likely in the near future. They have, therefore, decided not to press for the acceptance of the verbal modification in the formula for varying rates of wage referred to in paragraph 7.

10. As regards the subsidiary points set forth in paragraph 8, the views of the Colonial Government are summarised below:—

(a) *Payment of wages to Indian estate labourers.*—It has been agreed to provide in law for the full and regular payment within a reasonable time and in any case not later than 10 days after the close of the month, of all earnings accruing to an Indian labourer under the conditions of his employment.

(b) *Maternity benefits.*—The Ceylon Committee of Enquiry recommended the continuance of the existing maternity benefits to female labourers. In a new "Medical Wants Ordinance," which the Ceylon Government propose to introduce soon provision has been made to improve existing benefits by prescribing that six measures of rice per week should be supplied free and a cash payment of Rs. 2 per week should be made to each female labourer giving birth to a child on an estate.

(c) *Improvement of medical and housing arrangements.*—The Government of India suggested that provision should be made in the Medical Wants Ordinance, requiring every estate with more than 750 Indians—men, women and children—to maintain a dispensary in charge of a trained apothecary and to employ a trained midwife. To avoid overcrowding in the lines on estates it was further proposed that provision should be made in the draft ordinance or elsewhere to improve the scale of accommodation for all labourers. The Government of Ceylon have expressed their agreement in general with these proposals and hope to give effect to them as expeditiously as circumstances permit.

(*d*) *Educational facilities.*—The Government of Ceylon have agreed to introduce legislation to prohibit the employment in estates of children under 10 years of age. In the meantime steps are being taken to increase the facilities for education on estates.

(*e*) *Issue of rice to Indian estate labourers.*—The Government of Ceylon have undertaken to provide in the regulations to be issued under the Standard Wage Ordinance for the issue of rice of a prescribed quality and at a prescribed rate to Indian estate labourers to be made obligatory in law.

11. Settlement of minor details arising out of the various questions dealt with may possibly involve a slight delay in the introduction of the changes in regard to rates of wages and to other matters dealt with in the foregoing paragraphs. The Government of India have every hope, however, that the new arrangements will come into force soon after the beginning of 1927.

APPENDIX IV.

EXTRACT FROM THE JUDGMENT OF THE CHIEF COURT OF OUDH IN THE CRIMINAL APPEALS "RAM PRASAD AND OTHERS *vs.* KING EMPEROR," DELIVERED ON 22ND AUGUST 1927.

Before we consider the question of sentences, we propose to state in detail the findings, at which we have arrived upon the evidence. We find, that in the year 1924, certain persons in Bengal, amongst whom were Sachindra Nath Sanyal and Jogesh Chandra Chatterji, entered into a conspiracy of a revolutionary nature. In furtherance of the aims of this conspiracy, Jogesh Chandra Chatterji came to the United Provinces to recruit and to organize the movement. One of the meetings at which the organization was discussed and developed was held at Shahjahanpur about July 1924. There may have been other meetings at other places in the United Provinces. This much is certain. After July 1924 the movement in the United Provinces took a concrete shape. The central organization remained in Bengal, whence the policy was directed and controlled. Considerable powers were delegated to a provincial organization, two important headquarters of which were in Shahjahanpur and Benares. A meeting of this provincial organisation was held in some place in the United Provinces in October, 1924. Jogesh Chandra Chatterji was arrested in Calcutta, with the proceedings of this meeting in his possession. There may have been several other meetings of the provincial organization. The only other meeting which is proved to have taken place is the meeting at the residential quarters of Vishnu Saran Dublis in the Vaishya Orphanage in Meerut on the 13th and 14th September, 1925. It is not proved that there were activities in the United Provinces after the arrests of the 26th September, 1925.

The aims and methods of the conspirators are disclosed in a guarded manner in the "Revolutionary," and are disclosed specifically in the Rules of the Hindustan Republican Association. There is other evidence as to what these aims and methods were.

The ultimate aim is stated in the Rules as follows:—

> "The object of the Association shall be to establish a Federated Republic of the United States of India by an organized and armed revolution."

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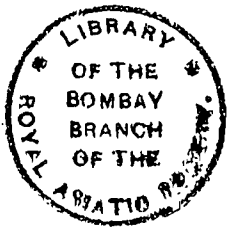

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